

BA-PHALABORWA MUNICIPALITY

2011/12 ANNUAL REPORT



REPORT SIGNED BY:

Dr. SS Sebashe
Municipal Manager

Date:

Cllr NA Sono
Mayor

Date:

TABLE OF CONTENTS

	Page
Foreword by the Mayor	8
The Accounting Officer's Statement	10
Executive Summary	12

CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 Introduction	14
1.2 Geographical Overview	15
1.3 Demographic Profile	16
1.4 Ba-Phalaborwa's Economy	16
1.5 Governance Structures	17
1.5.1 Political Governance Structures	18
1.5.2 Administrative Structures	20
1.6 Corporate Governance	24

CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 Introduction	25
2.2 Performance Highlights	25
2.3 Performance Report	26
2.3.1 Introduction	26
2.3.2 Strategic Performance	26
2.3.2.1 General Key Performance Indicators	26
2.3.2.2 Development Priorities Areas	28
2.3.3 Strategic Plan Development	31
2.3.3.1 Vision	31
2.3.3.2 Strategic Objectives	31
2.3.3.3 Strategic Development KPI Reports	32
2.3.4 Major Projects Implemented through Grant Funding	59

2.3.5 Capital Plan for Addressing Infrastructure Backlogs	59
2.3.6 Performance of Municipal Service Providers	60
2.3.7 Municipal Entities Strategic Alignment	61
2.4 Functional Performance	61
2.4.1 An Overview on SDBIP Performance	61
2.4.1.1 Operational Projects/Initiatives – Annual Outputs	62
2.4.1.2 Projects Works Plan Expenditure	65
2.5 Organisational Development Performance	70
2.5.1 The Municipal Workforce	70
2.5.1.1 Municipal Employees by Race	70
2.5.1.2 Employees Recruited	70
2.5.1.3 Staff Turnover	70
2.5.2 Managing the Municipal Workforce	71
2.5.2.1 Occupational Injuries	71
2.5.3 Capacitating the Municipal Workforce	71
2.5.3.1 Skills Audit	71
2.5.3.2 Skills Development	71
2.5.3.3 Learners on Experiential Training	73
2.5.3.4 Learners on Internship Programme	74
2.5.3.5 Skills Development Budget and Expenditure	74
2.5.4 Managing the Municipal Workforce Expenditure	75
2.5.4.1 Personnel Expenditure	75
2.5.4.2 Promotions for 2011/12	75
2.5.4.3 Upgraded Positions	75
2.6 Building and Zoning Plans	76
2.7 Corrective Measures to Improve Performance	76

CHAPTER 3: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

3.1 Introduction	77
3.2 Policies and Legal Compliance	77
3.3 Organisational Structure and Staffing	78
3.4 Staff Movements	79
3.4.1 New Appointments	79
3.4.2 Terminations	79
3.5 Personnel Administration	79
3.5.1 Leave Administration and Management	79
3.6 Performance Management	80
3.7 Training and Skills Development	80
3.8 Occupational Health and Safety	81
3.9 Labour Relations	81
3.10 Employment Equity	81

CHAPTER 4: AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

4.1 Introduction	84
4.2 Financial Sustainability	84
4.2.1 An Overview of the Financial Situation	84
4.2.2 The Financial Health of the Municipality	84
4.2.3 Long Term Contracts	86
4.2.4 Credit Rating of the Municipality	87
4.2.5 Outstanding Creditors	88
4.2.6 Outstanding Debtors	88

4.3 Indigent Policy	90
4.4 Supply Chain Management	91
4.5 Audit Outcomes	91
4.6 Income	92
4.6.1 Revenue	92
4.7 Grants & Conditional Transfers	93
4.7.1 Grants funding received	93
4.7.2 Equitable Shares	94
4.7.3 Loans/Borrowings	95
4.7.4 Revenue by Source	95
4.7.5 Outstanding Consumer Debts	96
4.8 Expenditure	97
4.8.1 Expenditure by Type	97
4.8.2 Allocation of Expenditure	99
4.8.3 Capital Expenditure	99
4.9 Asset Management	101
4.10 Disclosures	102
4.11 Auditor-General's Audit Report	103
4.12 Report of the Audit Committee	103
4.13 Inter-Governmental Grants	103
4.14 General Overview by the Accounting Officer	105

CHAPTER 5:

FUNCTIONAL AREA SERVICE DELIVERY REPORTING AND HIGHLIGHTS

5.1 Introduction	108
5.2 Office of the Municipal Manager	108
5.2.2 Internal Audit Function	108

5.2.3 Risk Management	109
5.2.4 Disaster Management	109
5.3 Directorate: Corporate Services	112
5.3.1 Human Resources Management	112
5.3.2 Administration and Information Management	113
5.3.3 Legal services	113
5.4 Directorate: Budget and Treasury Office	114
5.4.1 Financial Planning and Reporting	114
5.4.2 Revenue Management	115
5.4.3 Financial Control and Expenditure	115
5.4.4 Supply Chain and Fleet Management	116
5.5 Directorate: Technical Services	116
5.6 Directorate: Community and Social Services	116
5.6.1 Environmental Health	116
5.6.2 Parks and Cemeteries	118
5.6.3 Traffic and Licensing	118
5.6.4 Library Services	119
5.7 Directorate: Economic Development and Planning	119

APPENDICES

APPENDIX A:	Organisational Structure
APPENDIX B:	2011/12 Service Delivery and Budget Implementation Plan (SDBIP)
APPENDIX C:	Annual Financial Statements
APPENDIX D:	Auditor-General's Report
APPENDIX E:	Audit Committee's Report

FOREWORD BY THE MAYOR

Honourable Mayor



Cllr NA SONO

It is my privilege to present the annual report for the 2011/12 financial year. I would like to take this opportunity to thank our residential and business communities and our stakeholders for their support and contributions as we passionately work towards our vision striving ***“To be the Best Tourist Destination in Limpopo by 2020”***.

2011/12 financial year is one of the years wherein the municipality performed well in the implementation of own funded projects, as most of the revenue collected was channelled towards service delivery, in particular to the implementation of own funded capital projects. The other highlight for the year was that the municipality managed to spend all funds allocated to Municipal Infrastructure

Grant (MIG), that is, 100 % spending.

In the year under review, we had low revenue collection and this affected the implementation of some of the own funded projects. Despite all the challenges experienced during the financial year, the efforts by the team members enabled us to deliver and complete the following projects:

Achievements:

- Electrification of Ntswelemotse, Maune and Namakgale RDP;
- Upgrading of Lulekani Sports Precinct;
- Majeje Subsoil drainage; and
- Street Rehabilitation in Phalaborwa town.

Key challenges for the 2011/12 financial year

The key challenges for the 2011/12 financial year are amongst others the following:

- Vacant positions of the Municipal Manager and Chief Financial officer;
- High staff turn-over;
- Aged electricity, water and road infrastructure;
- Improving on the disclaimer audit opinion;

We present this report mindful that many infrastructures, social, economic and environmental development challenges remain as alluded above. However, we take pride in the difference we have made in the lives of many of our people in this financial year. Furthermore, this report is presented acknowledging the contributions of Members of the Executive Committee, all other councillors, management and staff, our strategic partners and communities themselves.

Cllr NA Sono

Mayor

21st December 2012

THE ACCOUNTING OFFICER'S STATEMENT



The annual report has been compiled as per the provisions of Section 46 of the Local Government: Municipal Systems Act 32 of 2000 which mandates a municipality to prepare an annual report for each financial year reflecting the performance of the municipality and of each external service provider during the financial year.

This report will record progress made by the municipality in fulfilling its objectives as reflected in the IDP, the Budget and the Service Delivery Implementation Plan. It will also reflect on the challenges encountered during the financial year.

In 2011/12 the stabilization of administration by appointing all Section 57 employees was a challenge as out of the six senior management positions two key positions were vacant, that is, Municipal Manager and Chief Financial Officer. The position of the Municipal Manager was only filled in March 2012. The position of the Chief Financial Officer was vacant for the whole financial year and interviews were only conducted on the 23rd July 2012.

One key factor that contributed in stabilizing the institution was the high turn-over of staff, in particular in the Budget & Treasury department as most of the key personnel resigned during the course of the financial year joining other institutions for better job opportunities. As such, this also contributed towards the non-attainment of some of the targets as set in the SDBIP and individual performance plans of senior managers. The current Recruitment and Retention Strategy is rendered useless to some extent since counter offering in most cases is not possible as big municipalities and private companies are already paying above what the municipality is offering.

Revenue collection was a challenge during the 2011/12 financial year as most of the consumers were not paying for their services. This was complicated by the culture of non payment and the dispute by the Rate Payers Association which influenced the majority of consumers in the municipal area not to pay for their services. However, towards the end of the financial year 2011/12, through discussions the relationship with Rate Payers Association improved and the dispute was resolved. This will in a way pave way for a good start in the new financial year and improved revenue collection is expected.

The Municipality managed to spend all funds allocated to Municipal Infrastructure Grant (MIG), that is, 100% spending and had an unspent amount of R2, 2m for Integrated National

Electrification Grant, this was due to the fact that ESKOM budgeted to do electrification in the targeted areas without informing the Municipality. As such, through discussions with ESKOM & DME it was resolved that the scope of the project to be implemented by the Municipality, be reduced and part of the allocation be carried over to the financial year 2012/13.

2011/12 financial year is one of those years wherein the Municipality performed well in the implementation of own funded capital projects. Most of the revenue collected during this financial year was channelled towards service delivery, in particular implementation of own funded capital projects. However, it is also important to highlight on the challenges encountered in the development and review of some of the policies and strategies due to financial constraints and lack of capacity in house. All the affected policies and strategies will be carried over to the next financial year and external stakeholders will be requested to assist.

The Municipality managed to clear all prior year queries raised by the Auditor General and this shows the extent to which management takes the issue of Operation Clean Audit 2014 seriously. Throughout the financial year, the Municipality had audit steering committee meetings which monitored the implementation plan of both AG queries, recommendations of the Audit Committee and the Internal Audit queries.

The following were challenges encountered during the compilation of AFS for 2011/12 financial year:

- Opening balances
- Unbundling of assets

Though these challenges were enormous efforts were made to ensure that all are resolved before the finalization of the 2011/12 Annual Financial Statements.

I would like to thank the Mayor, Members of the Executive Committee, all councillors, senior management and all staff members for their commitment and contributions in making 2011/12 financial year a success.

DR SS SEBASHE
MUNICIPAL MANAGER

EXECUTIVE SUMMARY

The goals and priorities of the Municipality for the 2011/12 financial year are summarised in the long-term strategic intent, which is presented in the form of the vision, mission, values and strategic objectives below:

VISION

“Best tourist Destination in Limpopo by 2020”

MISSION

- To ensure financial viability, sound administration and accountable governance for investor attractiveness
- To render all stakeholders with quality and affordable infrastructure and services for enhancing a safe and better life for all
- To manage the environment for future sustainable economic growth
- To support the mining industry for economic growth
- To position Ba-Phalaborwa as a tourism destination of choice

VALUES

- Efficiency and accountability
- Innovation and creativity
- Professionalism and hospitality
- Transparency and fairness
- Conservation conscious
- Continuous learning

SLOGAN

“The home of marula and wildlife tourism”

The Municipality set the following strategic objectives for itself:

- Enhance stakeholder involvement
- Economic and tourism development and growth
- Integrated sustainable infrastructure and services
- Developmental and performance orientated planning
- Financial viability
- Advance good corporate governance
- Attract, retain and build human capital
- Environmental sustainability

CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 Introduction

According to Section 121(2) of the Municipal Finance Management Act (MFMA), read with MFMA Circular No. 32, the purpose of an annual report of a municipality is to:

- Provide a record of activities of the municipality;
- Provide a report on performance in service delivery and against the budget;
- Provide information that supports the revenue and expenditure decisions made; and
- Promote accountability to the local community for the decisions made throughout the year by the municipality.

The following schedule for the 2011/12 annual report process was adopted as part of the IDP/Budget/PMS/MPAC Framework Process Plan at the beginning of the financial year:

Table 1.1: Schedule for annual report process

ACTIVITIES		PRESCRIBED DATES	RESPONSIBILITY OF
1.	Submission of AFS to AG	31 Aug. 2012	MM
2.	Submission of a municipal entity's AFS to MM <i>(Not applicable to the Municipality)</i>	31 Aug. 2012	Entity's Accounting Officer
3.	Submission of Directorate-specific Annual Reports	26 Sep. 2012	Directors
4.	Submission of consolidated AFS to AG	30 Sep. 2012	MM
4.	Receipt of audit report from AG	30 Nov. 2012	MM
5.	Address issues raised in AG's report	Immediately upon receipt	MM and Mayor
6.	Submission of municipal entity's annual report to MM <i>(Not applicable to the Municipality)</i>	31 December 2012	Entity's Accounting Officer
7.	Tabling of annual report in Council	31 January 2013	Mayor
8.	Publicizes annual report for comments	Immediately after tabling	MM
9.	Submit annual report to AG, PT and COGHSTA	Immediately after tabling	MM
10.	Develop a schedule for considering annual report	Immediately after tabling	MM

ACTIVITIES		PRESCRIBED DATES	RESPONSIBILITY OF
11.	Establish the MPAC oversight committee to consider annual report	Immediately after tabling	Council
12.	Attend oversight meetings considering the annual report to provide responses	Every time a meeting is called	MM
13.	Submit copies of minutes of the meetings to AG, PT and COGHSTA	Immediately after annual report consideration process	MM
14.	Adoption of an oversight report	31 March 2013	Council
15.	Publicize oversight report	Within 7 days of adoption	MM
16.	Submit annual report and oversight report to provincial legislature	Within 7 days of adoption of oversight report	MM

1.2 Geographical Overview

Ba-Phalaborwa Municipality is a Category B municipality and one of five local municipalities in the Mopani District of Limpopo Province. The municipality's geographic area is 7 461.6km². It includes the adjacent District Management Areas (DMAs) comprising Mopani Camp, Letaba and Olifants Rest Camps in the Kruger National Park. The table below gives an overview of the areas covered with the number of registered voter per area.

Table 1.2: Major areas in Ba-Phalaborwa Municipality arranged according to voting wards

Ward	Areas Covered	Councillor	Registered Voters
1	Makhushane	MM Malatji	3529
2	Makhushane	TJ Malatji	2817
3	Benfarm A & B	NEN Ndluvu	2812
4	Namakgale	MR Popela	3542
5	Namakgale	PG Mabilo	3756
6	Namakgale	ST Mkansi	3188
7	Namakgale	KA Peta	3255
8	Mashishimale	KE Mahomane	3278

Ward	Areas Covered	Councillor	Registered Voters
9	Makhushane, Maseke & Mashishimale	MG Malesa	3612
10	Maseke	BR Mashale	3283
11	Phalaborwa Town	SR De Beer	2910
12	Phalaborwa Town	KA Otto	3353
13	Pondo, Kurhula	KP Mhlari	2800
14	Lulekani	IF Mpenyane	3619
15	Lulekani, RDP, Biko & Mahale	R Makasela	2858
16	Matikoxikaya & Humulani	T Nkuna	3289
17	Majeje C & Baranuka	MS Chauke	3574
18	Selwane & Gravelotte	MS Mokgalaka	3713
Total			59188

1.3 Demographic Profile

Table 1.3: Population distribution according to race groups

Source: STATS SA	No. Households	Total Population	% Population Distribution			
			Blacks	Whites	Coloureds	Asians/Indians
2007 Community Survey	23 792	127 304	95.27%	5.33%	0.40%	0%
2001 Census	33 529	131 098	91.50%	8.17%	0.26%	0.07%

1.4 Ba-Phalaborwa's Economy

The economy of the Municipality is highly dependent mainly on mining that contributed 95% to the District's mining sectors' GDP, translating to 59.6% of the total district GDP. There are moves to diversify the economy to alternative economic sectors such as tourism, agriculture, and manufacturing.

The percentage contribution of the major economic sectors to the local economy are represented in the table below:

Sector	% Contribution
Mining	45%
Agriculture	0,5%
Manufacturing	4.2%

The National unemployment rate was estimated to be at 24.9% in the 2011/2012 financial year, an increase of 3% from the 21.7% rate in the 2010/2011 financial year. The National GDP (purchasing power) of the South African economy stood at 562.2 by the end of the 2011 financial year, with an inflation rate (consumer prices) of 5%. Ba-Phalaborwa had an unemployment rate figures were at 20.9% in 2011 way below the national unemployment rate by 4%.

Employment Status in Ba-Phalaborwa for the 2011/2012 financial year

The 2007 CS indicated that Ba-Phalaborwa had a population totalling 127,304, with 33,792 of households. The majority of the households head were either unemployed or under-employed and qualified to be declared indigents.

Economic sector	Number	%
Employed	19,913	59%
Unemployed	3,842	11%
Not economically active	7,282	22%
Not applicable	2,755	8%
Total	33,792	100%

1.5 Governance Structures

During the 2011/12 financial year the municipality was governed by the African National Congress (ANC) as the majority party following the May 18, 2011 local government elections. The Council comprised of 36 councillors, 50% are ward councillors and 50% are proportional representative's councillors. The African National Congress has 29 councillors (81%), Democratic Alliance has 4 councillors (11%), Congress of the People has 2 councillors (6%) and IRASA have 1 councillor. 47% of the councillors were female.

The executive committee of the municipality comprised of 7 members including the Mayor who chairs the executive committee. The executive committee members chair the portfolio committees of the municipality, with the exemption of Cllr SR De Beer, who is not chairing any portfolio committee.

The legislative structure comprised of councillors who serve in different portfolio committees. The legislative structure (Council) is chaired by the Speaker. They are responsible for approving policies, by-laws and overall oversight function over Council functions.

1.5.1 Political Governance Structures

Members of council and their work designations (Period from 3rd May 2011 to 30th June 2011)

Council Member	Position in Council	Other Responsibilities
Exco Members		
Cllr NA Sono	Mayor	Chairperson of Exco
Cllr KP Mhlarihi	Exco Member	Chairperson of Corporate Services and Shared Services
Cllr VP Mapanzela Full time Councillor	Exco Member	Chairperson of Finance Portfolio
Cllr DM Rapatsa	Exco Member	Chairperson of Social Services Portfolio
Cllr MS Magomane Full time Councillor	Exco Member	Chairperson of Infrastructure development, roads, public transport and water services (Technical Services) NU
Cllr E Engelbrecht/KS Malatji	Exco Member	Chairperson of Economic Development, Housing, Spatial Planning & Agriculture (Strategic Planing, IDP, PMS, Housing & Agriculture)
Cllr SR De Beer	Exco Member	Member of Finance Portfolio
PR Councillor		
Cllr MD Maake Full Time Councillor	Speaker	Chairperson of Council
Cllr SL Mohlala Full Time Councillor	Chief Whip	
Cllr JG Mashele		Member of MPAC
Cllr PS Mthombeni		Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio
Cllr MO Makwala		Chairperson of MPAC
Cllr MR Monareng		Member of Social Services Portfolio

Council Member	Position in Council	Other Responsibilities
CLlr SR Nkuna		Member of MPAC
CLlr NA Mashigwana(deceased)		Member of MPAC
CLlr MP Kgoete		Member of Social Services Portfolio
CLlr MV Mathebula		Infrastructure Development, Roads, Public Transport and Water Services Portfolio
CLlr MM Malesa		Member of Corporate and Shared Services Portfolio
CLlr GJ Fleming		Member of MPAC
CLlr H Harri		Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio
Ward Councillors		
CLlr MM Malatji	01	Member of Infrastructure Development, Roads, Public Transport and Water Services Portfolio
CLlr TG Malatji	02	Member of Social Services Portfolio
CLlr NE Ntimane-Ndlovu	03	Member of Corporate and Shared Services Portfolio
CLlr MR Popela	04	Member of Infrastructure Development, Roads, Public Transport and Water Services Portfolio
CLlr PG Mabilo	05	Member of Corporate and Shared Services Portfolio
CLlr ST Mkansi	06	Member of Economic Development, Housing, Spatial Planning & Agriculture Portfolio
CLlr KA Peta	07	Member of MPAC

Council Member	Position in Council	Other Responsibilities
Cllr KE Mahomane	08	Member of Social Services Portfolio
Cllr MG Malesa	09	Member of Social Services Portfolio
Cllr DH Malatji/Cllr BR Mashale	10	Member of Finance Portfolio
Cllr SR De Beer	11	Member of Finance Portfolio
Cllr KA Otto	12	Member of Economic Development, Housing, Spatial Planning Agriculture
Cllr KP Mhlari	13	Chairperson of Corporate and Shared Services Portfolio
Cllr IF Mpenyane	14	Member of Finance Portfolio
Cllr R Makasela	15	Member of Social Services Portfolio
Cllr T Nkuna	16	Member of Finance Portfolio
Cllr MS Chauke	17	Member of Infrastructure Development, Roads, Public Transport and Water Services Portfolio
Cllr MS Mokgalaka	18	Member of Corporate and Shared Services Portfolio

1.5.2 Administrative Structure

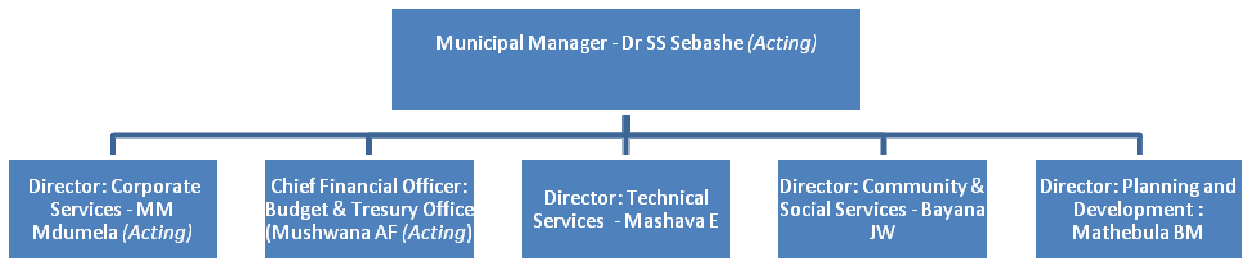
The administrative arm, under the leadership of the Municipal Manager, was divided into six main line functions or departments/directorates:

- The Office of the Municipal Manager;
- Corporate Services ;
- Budget and Treasury Office;
- Technical Services;
- Community and Social Services; and
- Planning and Development

The charts below indicate the main functions, the chain of command as well as the incumbents of the senior positions in different departments by the end of the 2011/12 financial year

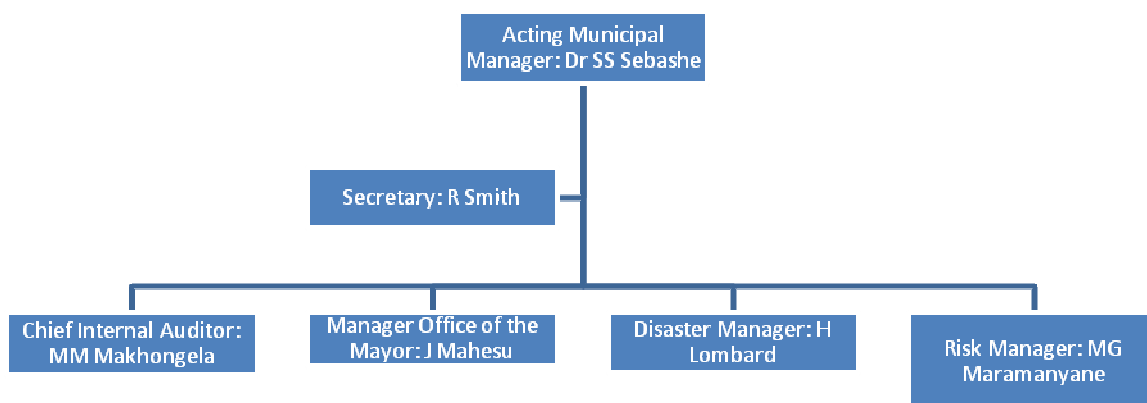
Office of the Municipal Manager

The Municipal Manager, as the accounting officer, had five line function managers appointed in terms of Sections 56 of the Municipal Systems Act, Act 32 of 2000. The line function departments of the Municipality were Corporate Services, Budget and Treasury Office, Technical Services, Community and Social Services, and Planning and Development. The diagram below presents the departments and incumbents of the positions at the end of the 2011/12 financial year.



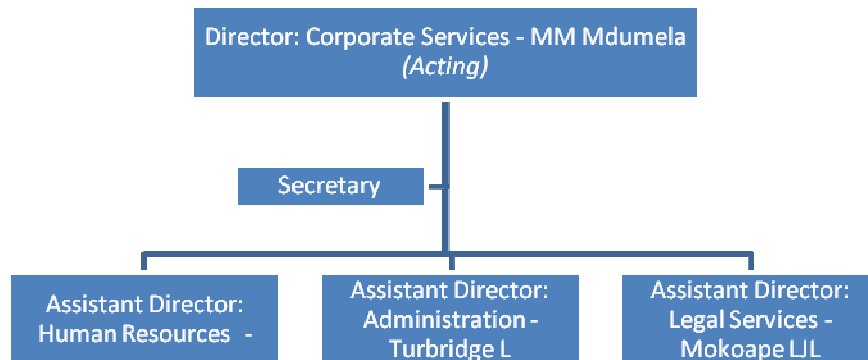
In addition to the departments, the Municipal Manager was responsible for strategic functions such as Internal Audit, Strategic Planning, Mayor's Office, Disaster Management, and Risk Management.. Communications, HIV/AIDS, and the Sports, Women and Youth Desk were the responsibility of the Manager in the Office of the Mayor. The chart below presents the strategic sections that were in the Office of the Municipal Manager:

Office of the Municipal Manager (Directorate)

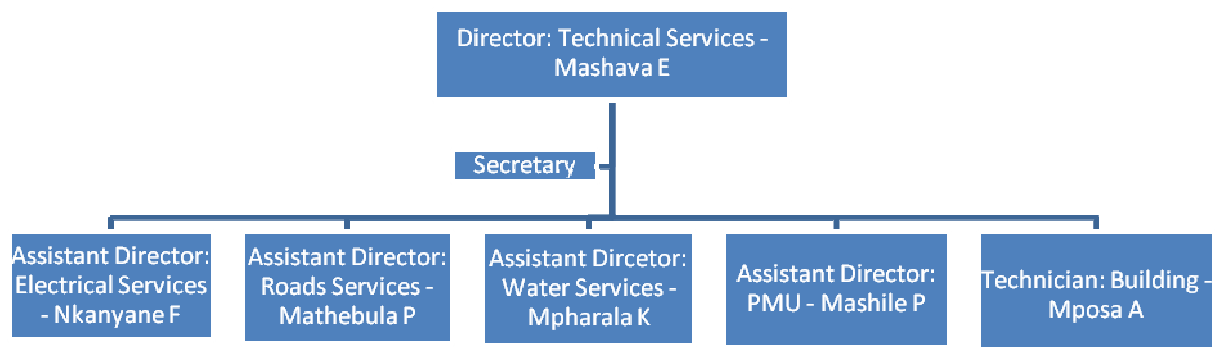


Corporate Services

The Corporate Services department had three main sections, viz. Human Resources; Administration; and Legal Services as indicated below:

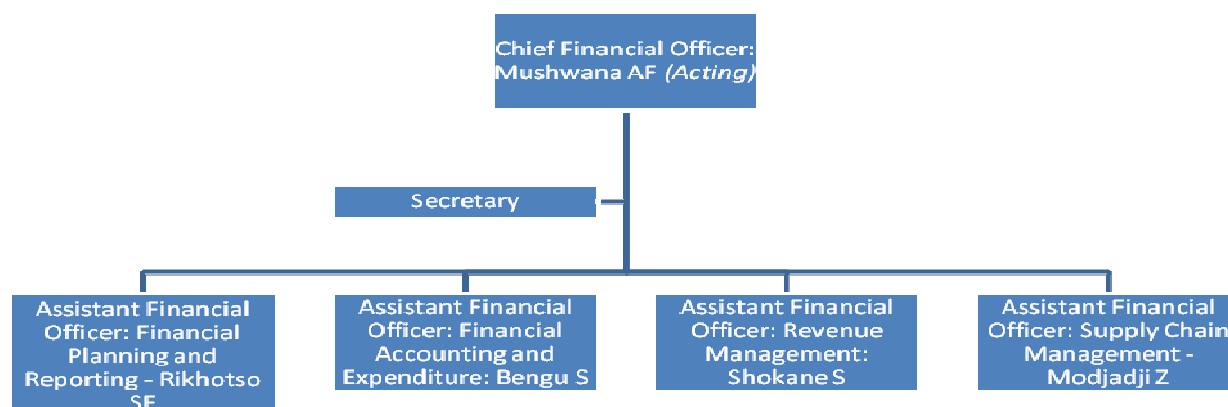


Technical Services



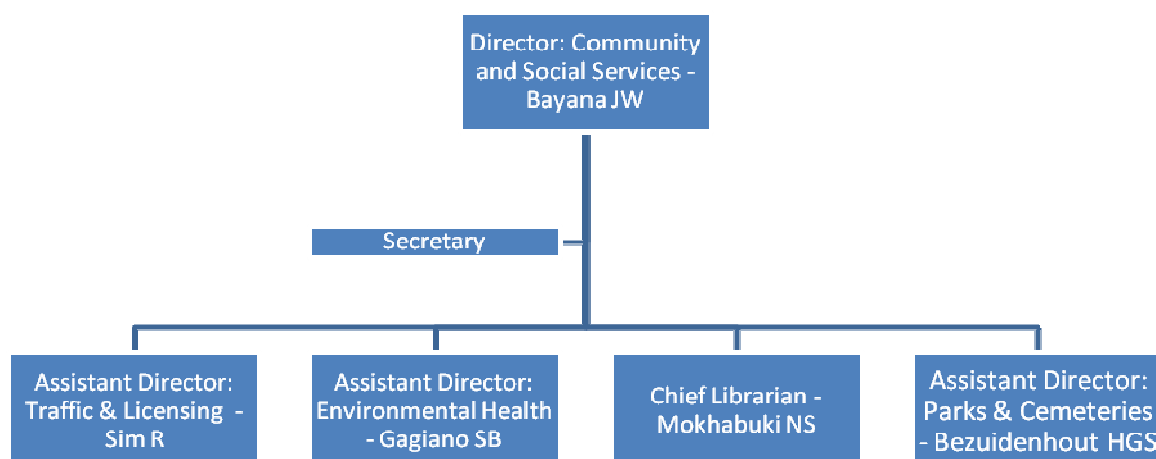
Technical Services as the main service delivery department of the Municipality consisted of Electrical Services, Roads and Stormwater Services, Water and Sanitation Services, Project Management Unit, and the Building Section.

Budget and Treasury Office



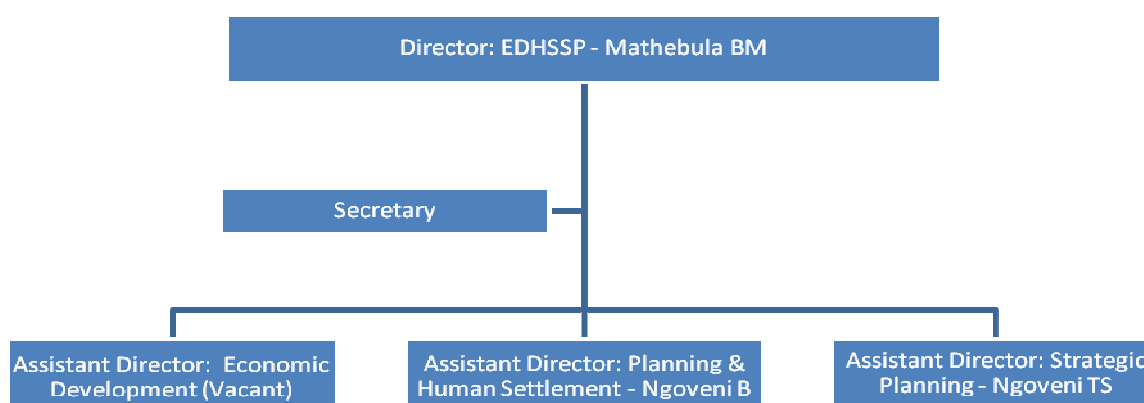
The Budget and Treasury Office, under the Chief Financial Officer, was divided into Financial Planning and Reporting, Financial Accounting and Expenditure, Revenue Management, and Supply Chain Management. The Chain of command in the Department is presented in the diagram below:

Community and Social Services



Community and Social Services comprised of Traffic & Licensing, Environmental Health, Library Services, and Parks and Cemeteries. The core function of the department is the provision of social services to the community.

Planning and Development



The Planning and Development directorate consisted of Economic Development, Town Planning and Human Settlement and Strategic Planning sections. The main function of the Department is to propose and manage the implementation of economic and spatial development and strategic planning. The Strategic Planning Section consisted of the Integrated Development Planning (IDP), Performance Management (PMS), and Public Participation. The Section was transferred from the Office of the Municipal Manager to Planning in 2011.

1.6. Corporate Governance

Anti fraud and prevention strategy

Purpose

The purpose of the document is to provide guidance to enable Ba-Phalaborwa Municipality to develop a fraud prevention strategy.

The Accounting Officer bears the ultimate responsibility for fraud and corruption risk management within the Institution. This includes the coordination of risk assessments, overseeing the investigation of suspected fraud and corruption, and facilitation for the reporting of such instances.

Statement of attitude to fraud

Fraud represents a significant potential risk to the **Ba-Phalaborwa Municipality's** assets, service delivery efficiency and reputation. Ba-Phalaborwa Municipality will not tolerate corrupt or fraudulent activities, whether internal or external, and will vigorously pursue and prosecute any parties, by all legal means available, which engage in such practices or attempt to do so.

The document was reviewed in and approved by the municipal council

CHAPTER 2: PERFORMANCE HIGHLIGHTS

2.1 Introduction

The municipality developed its Service Delivery and Budget Implementation Plan (SDBIP) as tool to monitor the implementation of the Integrated Development Plan and the Budget of the Municipality. The Service Delivery and Budget Implementation Plan (SDBIP) were used to monitor the performance of the municipality, to report on the achievement of the municipality's objectives and to detect non-performance and remedial action for non-performance.

The 2011/12 Service Delivery and Budget Implementation Plan (SDBIP) were approved by the Mayor on the 14 May 2011. The 2011/12 Service Delivery and Budget Implementation (SDBIP) were reviewed in March 2012 during the budget adjustments to be in line with the budget adjustments.

This section of the annual report covers the performance report for the 2011/12 financial year as reported in the audited Annual Performance Report of the municipality.

2.2 Performance Highlights

- The municipality managed to spend all funds allocated to Municipal Infrastructure Grant (MIG), that is 100%.
- The municipality performed well in the implementation of own funded capital projects
- Most of the revenue collected during the financial year under review was channelled towards service delivery, particularly own funded capital projects
- The municipality managed to clear all prior year queries raised by the Auditor General.
- The municipality had audit steering committee meetings, which monitored the implementation plan of the AGs queries.

Performance Challenges

- The municipality experienced a challenge in the stabilisation of administration, two key positions at senior management (Section 57 Managers) were vacant, Municipal Manager and Chief Financial Officer.
- The position of the Municipal Manager was filled in March 2012.
- There was high staff turnover particularly in the Budget and Treasury Office, most of the employees resigned due to career movements. This had a negative impact on the achievement of some key objectives.

- Revenue collection was a challenge during the 2011/12 financial year, most consumers were not paying for their services.
- The municipality had an unspent amount of R2.2m from the Integrated National Electrification Grant. This was due to the fact that Eskom budgeted to do electrification in the targeted areas without informing the municipality.
- The municipality also challenges encountered during the compilation of AFS for 2011/12 financial year: Opening balances and Unbundling of assets

2.3 Performance Report

2.3.1 Introduction

This annual performance report was compiled as per the provisions of Section 46 (1)(a)(i) – (iii) of the Local Government: Municipal Systems Act, Act 32 of 2000. The annual performance report of the municipality must reflect:

- The municipality's and any service provider's performance during that financial year, also in comparison with targets of and with performance in the previous financial year
- The development and service delivery priorities and the performance targets set by the municipality for the following financial year and
- Measures that were or are to be taken to improve performance

2.3.2 Strategic Performance

The purpose of strategic performance reporting is to report on the implementation and achievement of the IDP outcomes. It provides an overview on the strategic achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP.

2.3.2.1 General Key Performance Indicators

Section 43 of the Local Government: Municipal Systems Act requires municipalities to report on general key performance. The table below gives an indication on how the municipality performed in comparisons to the 2010/11 financial on the general key performance indicators.

National Indicator	Baseline (End June 2011)	Target (For 2011/12 fy)	Actual Performance (June 2012)
Percentage of households with access to basic level of water	96%	100%	96%
Percentage of households with access to basic level of sanitation	83%	100%	90%
Percentage of households with access to basic level of electricity	88%	100%	91%
Percentage of households with access to basic solid waste removal	67% (22 553 HH)	100%	100%
Percentage of households earning less than R1 100 per month with access to free basic services	100%	100%	100%
Percentage of municipality's capital budget spent on capital projects identified in the 2011/12 IDP	n/a	100%	92%
Number of jobs created through the municipality's local economic development initiatives including capital projects	308	300	1405
Number of people from employment equity targets groups employed in the three highest levels of management in compliance with the Municipality's approved employment equity plan	82%	100%	No appointments were done in the three highest levels
Percentage of the Municipality's budget spent on implementing	100%	100%	81.2%

National Indicator	Baseline (End June 2011)	Target (For 2011/12 fy)	Actual Performance (June 2012)
the municipal workplace skills plan			
Debt coverage	n/a	133%	65%
Outstanding service debtors to revenue	n/a	153%	R445/ R310 = 143%
Cost coverage	n/a	95%	47%

2.3.2.2 Development Priority Areas

a. Development Priority Areas

The municipality identified the following development priority areas and challenges and set out to address them in the 2011/12 financial year:

Development Priority Areas	Challenges	General Performance
To attract, retain and build human capital.	Staff turnover	Able to train 83 Municipal Workforce
Advance good corporate governance	The effectiveness of administration and the governance structure and the enhancement of institutional processes should be improved	We appointed the key personnel, Accounting Officer, Risk Manager. The effectiveness of Council Committees
Developmental and performance orientated planning	Alignment of the SDF to ensure that growth points are developed. All projects to be monitored and evaluated to ensure that they contribute to the future growth of the municipality	The Municipality is in the process of rectifying the challenges by informing and training communities on Planning procedures
Integrated sustainable infrastructure and services	The improvement of accessibility of infrastructure services, basic services, roads, sports fields etc.	We have improved in basic service provision.
Environmental	Ba-Phalaborwa has scarce water resources,	We still have a challenge in

Development Areas	Priority	Challenges	General Performance
sustainability		attention should be given to conservation and management of water resources. The challenge of the establishment of the new landfill site.	acquiring land for landfill site.
Economic and tourism development and growth		Unemployment, alleviation of poverty and social problems associated with poverty	Implemented all EWP projects and created 362 jobs
Financial Viability		Poor revenue collection, inadequate maintenance budget for key infrastructure.	The municipality was able to fund own critical capital, did not have any bridging finance
Enhance stakeholder involvement		Unstructured stakeholder management. Consultations with stakeholders were found to be on a needs basis and therefore not sustainable.	Necessarily stakeholder consultation with major stakeholders started to improve

b. Basic Service Delivery

The most important basic services provided by the Municipality are water and sanitation, refuse removal, electricity, and housing since they have a direct and immediate effect on the quality of lives of the people in a community.

i) Water and sanitation

Sustainable use of water: Ba-Phalaborwa Municipality encounters a lot of unaccounted for water that is caused mainly by non-billing in villages. It makes it difficult to determine the amount of losses in the system by leakages and illegal connections. Those households that are not being billed for usage misuse the water resource.

Relationship with Lepelle Northern Water: Ba-Phalaborwa Municipality's relationship with Lepelle Northern Water on a technical level is good. But contractually they have an agreement with Mopani District Municipality as a Water Services Authority.

Possible solutions to the problem of water provision: Ba-Phalaborwa Municipality should be given a Water Services Authority status for improved planning and implementation of relevant prioritized projects

Access to Sanitation facilities: All households have access to basic sanitation

ii). Electricity

Electrification backlog for the municipal area

Backlog at the End of June 2011	Number of Units Electrified during 2011/12	Current Backlog (End June 2012)
4597	1852	2715

iii). Housing

Housing backlog for the municipal area

Backlog at the End of June 2011	Number of Units completed during 2011/12	Current Backlog (End June 2012)
4500	806	3694

iv). Refuse Removal

Percentage access to refuse removal services:

Access by the End of June 2011	Number of New Households that benefitted in 2011/12	Current Backlog (End June 2012)
22 553 (67%)	None	2 673

c. Local Economic Development

Number of jobs created through the Municipality's local economic development initiatives including capital projects:

Number of jobs created through municipal initiatives

Number of jobs created in 2010/11	Number of Jobs created in 2011/12	% Increase/ Decrease
562	1199	113%

EPWP projects implemented through labour intensive methods:

EPWP projects implemented through labour intensive methods

Total Number of EPWP Projects Implemented in 2011/12	Number of EPWP Projects implemented through labour Intensive Methods	% EPWP Projects Implemented through labour Intensive Methods
7	7	100%

2.3.3 Strategic Plan Development

2.3.3.1 Vision

The strategic and operational objectives of the Municipality were guided by the municipal vision. The vision of the municipality reads as follows: **“To be the Best Tourism Destination in Limpopo by 2020”**. With this vision, the municipality aims to maximize the competitiveness of its local resources and its close proximity to the Kruger National Park and the Transfontier Park to grow the local economy and create sustainable jobs for the community.

2.3.3.2 Strategic Objectives

The identified development priorities and challenges resulted in the formulation of strategic objectives as presented in the strategy map below:



2.3.3.3 Strategic Development KPI Reporting

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Corporate Services	Executive and Council	Good Governance and Public Participation	Governance	Good Corporate Governance	Administration	Effective functioning of Council	# of Council meetings	Director Corporate Services	4	13	4 scheduled and 9 special	
Corporate Services	Executive and Council	Good Governance and Public Participation	Governance	Good Corporate Governance	Human Resources Management	A code of conduct for staff members that communicates good governance	A code of conduct for staff members is reviewed by end of June	Director Corporate Services	100%	100%	All staff members were work-shopped and given code of conduct by end of June 2012	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Performance Management	Review of monthly performance by senior management committee	# of Senior Management Committee meetings for reviewing performance	Municipal Manager	12	12	11 scheduled and one special meeting were held	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Performance Management	Review of monthly performance by Portfolio Committees	# of Portfolio Committees held per department	Municipal Manager	11	11	An average of 11 portfolio committee meetings held per directorate	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Developmental and performance orientated planning	Integrated Development Planning	Compliance	% compliance to IDP/Budget/PMS Process Plan	Municipal Manager	100%	95.5%	2 out of 22 activities in the fourth quarter were not completed, viz. One Technical Committee meeting	There is a need to adhere to the approved process plan

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
											and the Third Quarter Individual Performance Assessments.	
Office of the Municipal Manager	Executive and Council	Good Governance and Public Participation	Governance	Good corporate governance	Integrated Development Planning	Approval of IDP	Approval of IDP before legislative deadline	Municipal Manager	100%	100%	IDP approved on the 31 st of May 2012 at Selwane Village.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Integrated Development Planning	IDP and sectoral plans aligned with Spatial Development Framework	% alignment	Municipal Manager	100%	100%	All sector plans in the IDP were aligned with the SDF.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Integrated Development Planning	IDP to include all required sectoral plans	# of required sectoral plans included	Municipal Manager	8	11	An additional 3 sector plans have been included in the IDP	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Integrated Development Planning	IDP endorsed by community organisations and stakeholders through the IDP Rep Forum	% of stakeholder organisations represented in the IDP Rep Forum endorsing the IDP	Municipal Manager	100%	100%	All stakeholders in the IDP Rep Forum (including Rate Payers) endorsed the IDP and Budget	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Integrated Development Planning	IDP endorsed by all wards	% of ward committees endorsing the IDP	Municipal Manager	100%	100%	All the 18 ward committees endorsed the IDP during Public participation and the IDP Rep. forums	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Public Participation	Strengthen role of communities	% of ward-based development plans completed	Municipal Manager	100%	100%	Ward-based plans were completed in the by the end of the second quarter.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Public Participation	Effective communication with communities	Review of Communication Strategy	Municipal Manager	100%	50%	Communication strategy reviewed, awaiting final approval	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Communication	Institutional marketing and branding plan	% development of an institutional marketing and branding plan	Municipal Manager	100%	0%	The plan was not developed due to financial constraints	The KPI to be carried over to the 2012/13 financial year.
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Public Participation	Municipal development charter	% progress made in the development of a municipal development charter implementation plan	Municipal Manager	100%	n/a	Implementation plan not developed. Advisory board not functional	Need to revive the advisory board

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Public Participation	Stakeholder involvement strategy	% progress made in the development of a stakeholder involvement strategy	Municipal Manager	100%	0%	Stakeholder involvement strategy not developed due to financial constraints. No capacity in house	Carried over to the 2012/13 financial year
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Public Participation	Stakeholder involvement strategy	# Of Mayoral Imbizos held	Municipal Manager	4	4	All mayoral imbizo held as planned	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Public Participation	Effective functioning of ward committees	# of ward committee meetings per ward per annum	Municipal Manager	12	6	An average of 6 meetings per ward between August 2011 and June 2012 were held. A total number of 102 meetings were held out of a possible 198, giving an average ward committee functionality of 51, 5% for the year.	Ward Councillors to ensure that at least one ward management committee is held per month.
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Public Participation	Effective functioning of ward committees	% issues raised at ward committees processed through portfolio committees	Municipal Manager	100%	100%	All issues received were processed through the monthly Batho-Pele Report	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Risk Management	Improved good governance	% of anti-corruption strategy reviewed by end June	Municipal Manager	100%	50%	Strategy reviewed and awaits Council approval	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Enhanced stakeholder involvement	Complaints management	Addressing community complaints	% queries from customers tracked three weeks after receipt	Municipal Manager	100%	100%	All queries registered in the monthly Batho-Pele Reports were attended to within 3 weeks	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Integrated Development Planning	Community satisfaction survey conducted	Development of community satisfaction survey by end of October 2011	Municipal Manager	100%	100%	Survey conducted and report used in the 2011 planning session	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Developmental & performance orientated planning	Performance Management	Institutional performance management system in place	# of performance agreements signed on time for S56 appointments	Municipal Manager	5	5	All Directors and the Municipal Manager signed their performance agreements	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Developmental & performance orientated planning	Performance Management	Institutional performance management system in place	Individual performance assessment implemented up to Post Level 5	Municipal Manager	100%	50%	Performance assessments for PL 3 – PL 5 managers were not conducted. Sec 57 managers were assessed (Mid-Year)	There is a need to adhere to the Process Plan
Office of the Municipal		Good Governance	Governance	Developmental &	Performance	Annual performance	Annual report and oversight	Municipal Manager	100%	100%	Reports presented in Council on the 29 th of	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Manager		and Public Participation		performance orientated planning	Management	reporting	report of council submitted before legislative deadline				March and submitted to all stakeholders on the 3 rd of April 2012.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Internal audit functions	Functional Performance Audit Committee (PAC)	# of PAC meetings held	Municipal Manager	4	5	5 meetings held. 1 special and 4 scheduled. Performance audit function delegated to the Audit Committee.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Internal audit functions	Functional Internal Audit Unit	Approved risk based audit plan by end June	Municipal Manager	100%	100%	Completed in the second quarter	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good corporate governance	Human Resources Management	Reaching of employment equity targets	% of targets reached	Municipal Manager	100%	85%	Still awaiting the MEC's concurrence for the appointment of Director Corporate Services and Director Planning and Development.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Disaster Management	Reviewed Disaster Management Plan	Disaster management Plan reviewed by end of June	Municipal Manager	100%	100%	Reviewed and to be approved by Council on the 31 st of July 2012.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Disaster Management	Reviewed Disaster Management Framework	Disaster management Framework reviewed by	Municipal Manager	100%	n/a	Framework developed by Mopani District for all local municipalities	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
		n					end of June					
Office of the Municipal Manager		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Sports & Culture	Effective functioning of local sports forum	# of meetings held per annum	Municipal Manager	4	4	All meetings held as scheduled	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	HIV/AIDS	Workplace HIV/AIDS Policy	% development of Workplace HIV/AIDS Policy	Municipal Manager	100%	100%	Policy developed in the second quarter	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	HIV/AIDS	Municipal HIV/AIDS Strategy	% development of municipal HIV/AIDS strategy	Municipal Manager	100%	100%	Completed in the second quarter	
Office of the Municipal Manager		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	Enhancement of local economic development	% of contracts advertised assigned to local emerging contractors	Municipal Manager	40%	40%	All small projects for roads and storm-water were allocated to small emerging local contractors	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Compliance	Preparation of regular, accurate and complete financial and performance reports	# of accurate and complete financial and performance reports compiled	Municipal Manager	12	12	Financial performance reports were compiled on a monthly basis and submitted to EXCO	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Internal audit functions	Review and monitor compliance with applicable	Develop and maintain compliance checklists by end of June	Municipal Manager	100%	100%	DORA audits and Follow-up on legislative compliance audit reports were issued.	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
						laws and regulations						
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Internal audit functions	Formal controls over IT systems to ensure reliability, availability, accuracy and protection of information	Design and implement formal controls over IT systems by end of June	Municipal Manager	100%	100%	IT General Controls Audit report issued together with quarterly follow-up reports.	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Internal audit functions	Financial risk management and internal controls	% progress made in the development of a financial risk management and internal controls	Municipal Manager	100%	100%	Completed in the second quarter	
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	Internal audit functions	Audit action plan to address issues raised in the audit report	% progress made in developing an audit action plan to address issues raised in the audit report	Municipal Manager	100%	100%	Completed in the second quarter	
					Internal Audit Function	Implementation of internal audit recommendations	# of internal audit reports processed	Municipal Manager	4	2	Monthly follow-up reports were issued on internal audit recommendations	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Office of the Municipal Manager		Good Governance and Public Participation	Governance	Good Corporate Governance	MFMA Compliance	Financial delegations	% progress made in developing financial delegations	Municipal Manager	100%	50%	Draft delegations in place awaiting council approval.	
Corporate Services		Good Governance and Public Participation	Governance	Attract, retain & build human capital	Human Resources Management	Creation of effective capacity	% vacancy level as % of approved Organogram	Director Corporate Services	80%	54,1%	Only 39 out of 85 positions filled by end of June 2012.	Remaining positions to be filled in the 2012/13 Financial Year
Corporate Services		Good Governance and Public Participation	Governance	Attract, retain & build human capital	Human Resources Management	Employment equity	% of employees from previously disadvantaged groups appointed in the three highest levels of management as the EEP	Director Corporate Services	100%	N/A	No appointments were done in these levels	
Corporate Services		Municipal Transformation and Institutional Development	Labour relations	Good corporate governance	Human Resources Management	Effective labour relations	# of LLF meetings held	Director Corporate Services	12	6	Schedule was not adhered to in the 2 nd and 3 rd quarters of the year as we were awaiting for confirmation of elected shop-stewards by unions.	Labour unions to finalise and submit names of elected shop-stewards immediately after elections are held.

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Corporate Services		Municipal Transformation and Institutional Development	Labour relations	Attract, retain & build human capital	Human Resources Management	Effective and up to date HR policies	Review of all HR policies annually by end of June	Director Corporate Services	100%	100%	All identified HR policies were reviewed	
Corporate Services		Municipal Transformation and Institutional Development	Labour relations	Attract, retain & build human capital	Human Resources Management	Targeted skills development	% review and submission of skills development plan by end June	Director Corporate Services	100%	100%	Workplace skills plan for 2011/12 has been submitted to LGSETA on the 27 th June 2012	
Corporate Services		Municipal Transformation and Institutional Development	Labour relations	Attract, retain & build human capital	Human Resources Management	Targeted skills development	% of budget spent on implementing municipal workplace skills plan	Director Corporate Services	100%	81.2%	Expenditure (R1,3m) of total budget (R1,6m)	
Corporate Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Administration	Maintenance of halls and facilities	Review and implementation of maintenance plan for halls and facilities	Director Corporate Services	100%	100%	Maintenance of halls and facilities done as per the scheduled programme	
Corporate Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure &	Information Technology	IT infrastructure master plan	% progress made in the development of an IT infrastructure	Director Corporate Services	100%	50%	The IT MSP for the Municipality exists, the following issues are addressed: Developed six policies	DRP to be done by December 2012, and procured three servers for proper IT infrastructure.

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
				services			master plan				and to be approved on the 31 st July 2012 IT Manager position upgraded and attend Senior Management meetings	
Corporate Services		Good Governance and Public Participation	Governance	Good Corporate Governance	Information Technology	IT governance framework to support and enable business is in place	Develop an IT governance framework by the end of June	Director Corporate Services	100%	50%	Draft in place	To be submitted to Council in the September 2012 council meeting
Corporate Services		Good Governance and Public Participation	Governance	Good Corporate Governance	Information Technology	Appropriate IT disaster recovery plan in place	Develop an IT disaster recovery plan by end of June	Director Corporate Services	100%	0%	IT Manager was only appointed towards the end of the financial year. There was no expertise in house. Initial document prepared for discussion at departmental meeting. Implementation started in the 3 rd quarter.	Discussions taking place at District ICT Forum for combined efforts of all municipalities within the district. Alternatives are being considered.
Corporate Services		Good Governance and Public Participation	Governance	Good Corporate Governance	Legal Services	Contract registers in place to record contracts	Develop and maintain contract registers by end of June	Director Corporate Services	100%	100%	A contract register developed and kept up to date	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
						awarded and monitor expenditure on the contracts						
Office of the Municipal Manager		Municipal Transformation and Institutional Development	Governance	Good corporate governance	Legal Services	Effective and up to date By-laws	% of By-laws reviewed annually	Municipal Manager	100%	100%	All budget related policies which were targeted for review & gazetted as by-laws were reviewed and approved by Council.	
Council	Executive and Council	Good Governance and Public Participation	Governance	Good corporate governance	Budget	Approval of main budget	Approval of main budget before legislative deadline	Chief Financial Officer	100%	100%	Main budget approved on the 31 st of May 2012	
Council	Executive and Council	Good Governance and Public Participation	Governance	Good corporate governance	Budget	Approval of adjustments budget	Approval of adjustments budget before legislative deadline	Chief Financial Officer	100%	100%	Adjustment budget done in the 3 rd Quarter	
Council	Executive and Council	Good Governance and Public Participation	Governance	Developmental and performance orientated planning	Performance Management	Approval of SDBIP	Approval of SDBIP before legislative deadline	Municipal Manager	100%	100%	The SDBIP was approved by the Mayor on the 31 st of May 2012.	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	Reviewed and aligned LED Strategy	LED Strategy reviewed by end of June	Director Planning & Development	100%	0%	LED Strategy not reviewed due to lack of funding	To be rolled over to the 2012/13 Financial Year
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	Investment attraction plan	% progress in the development of an investment attraction plan	Director: Planning & Development	100%	0%	Plan not developed due to financial constraints	To be rolled over to the 2012/13 Financial Year
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	Employment through job creation schemes	# of jobs created through municipal initiatives (ytd)	Director Planning & Development	300	1 405	0 for April; 10 for May and 100 for June. The year to date figure is 1 405	
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	SMME Support	# of SMMEs supported	Director Planning & Development	40	94	Municipality managed to channel most of its procurement towards the empowerment of Local SMME. Exceeded target by 54.	
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	Poverty Alleviation	# of rural wards with LED projects	Director Planning & Development	4	5	4 Marula Oil Extraction Depots, and 1 CWP roll out in ward 18	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Local Economic Development	Formalisation of informal trading	% establishment of an informal traders' association	Director Planning & Development	100%	0%	To be followed up in the next financial year	
Planning and Development		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Tourism Development	Tourism development strategy	% review of tourism development strategy	Director: Planning & Development	100%	0%	Not reviewed due to lack of capacity in house	To be followed up in the next financial year
Planning and Development		Good Governance and Public Participation	Spatial Conditions	Good corporate governance	Planning & Land Use Management	GIS Policy	% completion of GIS Policy	Director: Planning & Development	100%	50%	Policy developed and awaiting Council approval	
Planning and Development		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Planning & Land Use Management	Formalisation of informal settlements	# of informal settlements formalised	Director Planning & Development	2	2	Humulani extension 2 and EXT. 3	
Planning and Development		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Housing and Land Use	Housing demand management plan	% progress in developing a housing demand management plan	Director: Planning & Development	100%	100%	The beneficiary list for 2012/13 financial year is finalised.	
Planning and Development		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Planning & Land Use Management	Establishment of a landfill site	# of studies completed towards the establishment of a landfill	Director: Planning & Development	1	0	No studies could be conducted pending acquisition of land, as identified land is under land claim.	Busy negotiating with tribal authorities for an alternative land.

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
				services			site					
Planning and Development		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Planning & Land Use Management	Processing of land use applications	% land use applications (excl rezoning) approved by Council aligned to SDF and LUMS (As per Alignment checklist)	Director: Planning & Development	100%	100%	All land use applications received were processed and approved	
Planning and Development		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Planning & Land Use Management	Processing of rezoning applications	% rezoning applications approved by Council aligned to the SDF & LUMS (as per Alignment Checklist)	Director Planning & Development	100%	100%	All rezoning applications received were processed and approved	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Asset management	Asset management plan	% development of an assets management plan	Chief Financial Officer	100%	100%	Approved Assets management policy used as guiding tool	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Asset management	Assets maintenance	% compliance with the maintenance of the assets register	Chief Financial Officer	100%	100%	Assets register is maintained regularly	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Asset management	Unbundle infrastructure assets (Water, sanitation and electricity)	% progress made in unbundling infrastructure assets	Chief Financial Officer	100%	50%	Assets unbundled in 2010 were done incorrectly. Corrections to be made in the 2012/13 financial year.	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Budget	Integrated Financial Management System	% improvement of Integrated Financial Management System	Chief Financial Officer	80%	80%	Integrated Financial Management system is running as planned	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Budget	Five year financial plan	% progress in developing a five year financial plan	Chief Financial Officer	100%	100%	Five year financial plan has been developed and approved	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Revenue	Revenue enhancement strategy	% review of revenue enhancement strategy	Chief Financial Officer	100%	100%	Implementation plan has been drafted and awaiting Finance Portfolio to be work-shopped	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Revenue	Improved revenue collection	% revenue received / billed revenue	Chief Financial Officer	95%	65%	Culture of non-payment and boycott by RPA negatively affected revenue	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Expenditure and Financial Control	Service demand management strategy	% development of a service demand management strategy	Chief Financial Officer	100%	0%	Due to lack of working capital it was not possible to draft the service demand management plan.	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Expenditure and Financial Control	Updated indigent register for the provision of free basic services	Updated indigent register on monthly basis	Chief Financial Officer	100%	100%	Indigent registration has been conducted and approval is done in consultation with ward councillors	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Compliance	Clean Audit	% GRAP compliant AFS	Chief Financial Officer	100%	100%	GRAP compliant AFS were submitted in the 1 st Quarter of 2011/12	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Compliance	Clean Audit	% of root causes of issues raised by AG in AG report addressed	Chief Financial Officer	100%	95%	Root causes of AG findings on the prior year were FMS related and to date the new FMS is implemented.	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability		Preparation of financial statements	Financial statements submitted by end of August	Chief Financial Officer	100%	100%	The AFS were submitted in the 1 st Quarter of 2011/12.	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability		Financial viability	Debt coverage (Total operating revenue - operating	Chief Financial Officer	133%	65%	Culture of non-payment and boycotts by RPA. R310m –R81 m/ R354 m	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
							grants received) / Debt service payments due within the year					
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability		Financial viability	Service debtors to revenue - (Total outstanding service debtors / revenue received for services)	Chief Financial Officer	153%	R445 m/ R310 = 143%	Culture of non-payment	Payment campaigns to be conducted in the 2012/13 financial year
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability		Financial viability	Cost coverage ((Available cash + investments) / Monthly fixed operating expenditure	Chief Financial Officer	95%	47%	Poor revenue collection	Payment campaigns to be conducted in the 2012/13 financial year
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Supply Chain Management	Effective SCM system	# of successful appeals	Chief Financial Officer	0	0	No case(s) reported	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Economic and tourism development and growth	Supply Chain Management	Effective SCM system	% procurement from local enterprises	Chief Financial Officer	40%	40%	Municipality is gearing for SMME support	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Economic and tourism development and growth	Supply Chain Management	Effective SCM system	% internal audit recommendations on SCM implemented	Chief Financial Officer	100%	95%	End of Third quarter performance. Fourth quarter audit conducted but the report not ready by end of June 2012	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Financial Accounting	Effective cash flow management	% development of a cash flow management plan	Chief Financial Officer	100%	0%	Not done as the municipality did not have a working capital.	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Property valuation	Property valuations objections	% of objections	Chief Financial Officer	10%	0%	Awaiting for publication of valuation roll	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Property valuation	Property valuations appeals	% of appeals	Chief Financial Officer	100%	0%	Awaiting for publication of valuation roll	
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Free basic services	Quantum of free basic sanitation received	R-value per month per household	Chief Financial Officer	R41.34	R41.34	As per indigent registration	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Free basic services	Quantum of free basic refuse removal received	R-value per month per household	Chief Financial Officer	R52.45	R52.45	As per indigent registration	
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Free basic services	Quantum of free basic water received	Kl per month per household	Chief Financial Officer	6Kl	6Kl	As per indigent registration	
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Free basic services	Quantum of free basic electricity received	Kwh per month per household	Chief Financial Officer	R50/kwh	R50/kwh	As per indigent registration	
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Reporting	Reporting on conditional grant spending - Capital	% of total capital conditional grants spent	Chief Financial Officer	100%	92%	Unspent on INEG due to the scope of project been reduced as ESKOM also planned to implement same project.	Funds be rolled over to the 2012/13 financial
Budget & Treasury		Municipal Financial Viability and Management	Financial Management	Financial viability	Reporting	Reporting on conditional grant spending - Operational	% of total operational conditional grants spent	Chief Financial Officer	100%	100%	Conditional grants spent as planned.	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Community and Social Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Parks and cemeteries	Maintenance of recreational areas	% of maintenance budget of recreational areas spent	Director Community and Social Services	100%	100%	Budget spent as planned	
Community and Social Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Parks and cemeteries	Maintenance of cemeteries	Review mowing and maintenance roster by end June	Director Community and Social Services	100%	100%	Mowing and maintenance roster reviewed.	
Community and Social Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Parks and cemeteries	Cemeteries demand management plan	% progress made in developing a cemeteries demand management plan	Director Community and Social Services	100%	100%	Cemetery management plan developed.	
		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Waste Management	Households access to basic waste removal services	% of HH with access to at least once-a-week refuse removal services	Director Community and Social Services	100%	67%	Shortage of staff and equipments	SDBIP reviewed to 67%
Community and Social Services		Basic Service Delivery	Service Delivery	Environmental sustainability	Waste Management	Refuse removal services plan	Review of municipal refuse removal services plan	Director Community and Social Services	100%	100%	Reviewed in the third quarter	
Community and Social Services		Basic Service Delivery	Service Delivery	Environmental sustainability	Parks and cemeteries	Rehabilitation of landfill sites	# of landfill sites rehabilitated	Director Community and Social Services	1	0	Foskor advertised for the appointment of the service provider	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Community and Social Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Library Services	Development and implementation of municipal libraries development plan	% development of a municipal libraries development plan	Director Community and Social Services	100%	100%	Developed in the 3 rd quarter	
Technical Services		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Project Management Unit	Implementation of EPWP	% development of EPWP policy	Director Technical Services	100%	100%	EPWP policy developed	
Technical Services		Local Economic Development	Local Economic Development	Economic & tourism development and growth	Project Management Unit	Implementation of EPWP	% infrastructure projects that are EPWP	Director Technical Services	75%	100%	All municipal infrastructure projects are implemented within the EPWP guidelines	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Roads and Storm Water	Develop maintenance programmes for storm water	Develop maintenance programme for storm water by end June	Director Technical Services	100%	100%	Storm water maintenance plan developed	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Provision of sanitation services	% of HH that meet minimum standard sanitation	Director Technical Services	91%	90%	Projects are still under construction	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Households receiving free basic sanitation	#of households receiving free basic sanitation	Chief Financial officer	2000	1591	Indigent reviewal done annually	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Quality of waste water discharged	% water quality level of waste water discharged within DWAF standards	Director Technical Services	70%	70%	Regular disinfections and testing of samples before discharging.	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Maintenance of sanitation assets	develop a sanitation maintenance plan by end June	Director Technical Services	100%	100%	The sanitation maintenance plan developed	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Roads and Storm Water	Km of new road for previously un-serviced areas	# of Km of new road constructed	Director Technical Services	5km	3.5km	2km in the 2 nd quarter; 1km in the 3 rd quarter ; and 0.5km in the 4 th quarter	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Roads and Storm Water	Effective capital spending on roads projects	% spent of approved municipal roads capital budget	Director Technical Services	100%	100%	Capital budget for roads spent as planned.	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Roads and Storm Water	Maintenance of municipal roads	Development / review of a roads maintenance plan by end June	Director Technical Services	100%	100%	Roads maintenance plan reviewed	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Roads and Storm Water	Maintenance of municipal roads	Kms of roads patched and resealed according to approved plan	Director Technical Services	35Km	37km	Resealing and patching of roads was done and had over performance by extra 2km.	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Roads and Storm Water	Maintenance of municipal roads	% of maintenance budget of municipal roads spent	Director Technical Services	100%	100%	Maintenance of municipal roads budget was spent as planned.	
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Indigent Support	Free Basic Water	# Of households receiving free basic water	Chief Financial Officer	2000	1591	Indigent reviewal done annually	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Water services authority status	% progress made towards signing water SLA or MoU with MDM	Director Technical Services	100%	100%	The water SLA with Mopani was signed.	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	New water connections	% of new water connections for new developments depending on private development	Director Technical Services	100%	0%	No new development that was due for connection.	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	HH with access to cleaned piped water within 200m from household	% of HH achieving agreed service standards	Director Technical Services	100%	80%	New extensions and some villages where the is incomplete r no reticulations	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Percentage of water losses	% of KI of water billed by Lepelle Northern Water not used by Municipality	Director Technical Services	50%	21%	Water losses due to aged infrastructure.	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Excellent water quality	% water quality level as per blue drop standards	Director Technical Services	100%	100%	The municipality complies with the blue drop standards.	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Maintenance of water assets	Development / review of a water maintenance plan	Director Technical Services	100%	0%	The water maintenance plan was not reviewed .	To be done in the 2012/13 financial year.

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
				services								
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Maintenance of water assets	# of water meters replaced	Director Technical Services	150	170	Municipality managed to replace more meters than as intended by 20.	
		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Water & Sanitation	Water demand management plan	% progress made in the development of a water demand management plan	Director Technical Services	100%	0%	The project was not funded in the 2011/12	To be carried over to the 2012/13 financial year
Budget & Treasury		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Electricity	Indigent Support	# of households registered as indigent with access to free basic electricity	Chief Financial Officer	2000	1591	Indigent reviewal done annually	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Electricity	New electricity connections	# of new electricity connections	Director Technical Services	20	5	All done in the 3 rd quarter. Only five applications were done and all were connected.	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable	Electricity	Percentage or number of households	% of HH or # of HH	Director Technical Services	88%	100%	All households in the municipal area are	

Department	GFS Vote	National KPA	TAS Key Focus Area	IDP Goal	Municipal Key Performance Area	Key Performance Indicator	Unit of Measurement	Programme Driver	Annual Performance		Remarks/Challenges	Intervention
									Target	Actual		
				infrastructure & services		connected to national electricity grid (Ba-Phalaborwa)					connected to the national electricity grid	
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Electricity	Effective capital spending on electricity projects	% spent of approved electricity capital projects	Director Technical Services	100%	75%	One project was not completed. The remaining part to be rolled over to the next financial year.	Unspent funds to be rolled over to the 2012/13 financial as it is already committed.
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Electricity	Maintenance of electricity assets	Develop / review electricity maintenance plan by end June	Director Technical Services	100%	100%	Electricity maintenance plan reviewed.	None
Technical Services		Basic Service Delivery	Service Delivery	Integrated sustainable infrastructure & services	Electricity	Electricity demand management plan	% progress made in the development of an electricity demand management plan	Director Technical Services	100%	N/A	Project not funded	To be carried over to 2012/13 IDP as part of the Electricity Master Plan

2.3.4 Major Projects Implemented through Grant Funding

Projects are reported per functional area and reasons are given for none implementation of projects.

Major capital projects implemented in the 2011/12 financial year

IMPLEMENTING DEPARTMENT	PROJECTS		STATUS END JUNE 2012		COMMENTS
	IDP NUMBER	NAME	TARGET	ACTUAL	
DTS		Maphutha Tshelang street paving	Completion	Practical completion	Additional scope of the culvert was the course of the delay
DTS		Rehabilitation of street in Plaborwa town	80% in progress	Practical completion	The project is earmarked for final completion by August 2012
DTS		Construction of Tennis, Basket ball, and Netball courts in Lulekani Stadium	Completion	Complete	

2.3.5 Capital Plan for Addressing Infrastructure Backlogs

The table below presents a three year plan for addressing infrastructure backlogs in terms of the MIG framework

Three year plan for addressing Infrastructure backlogs in terms of MIG Framework

Project Description	Location	Project Budget (R'000)		
		2011/12	2012/13	2013/14
N/A				

2.3.6 Performance of Municipal Service Providers

The following service providers were appointed by the Municipality in the 2011/12 financial year for the implementation of mentioned services.

Service providers appointed for the implementation of projects

Name of Service Provider	Service Description	Target (scope, cost and time)	Actual Performance (scope, cost and time)
Lumar Engineers	Professional	Designs and Site supervision. R1,3m for the duration of construction	Designs and supervision, but services were later terminated due to poor performance
Pesaco	Construction	Rehabilitation of streets. 6 months construction at R3m	The project scope is in line with the budget. Additional funding was requested from MIG to complete the outstanding scope.
PGN (Pty) Ltd	Construction	Street paving over three financial years	Practical completion and scope of additional bridge construction
Sky High Consulting Engineers	Professional	Designs and site supervision	The phase 1 is complete
Botshabelo Consulting Eng	Professional	Designs and site supervision	Designs are complete
Shikwambana Sithole	Professional	Designs and site supervision	Designs are complete
Vutani Consulting	Professional	Designs and site supervision	Designs are complete

2.3.7 Municipal Entities Strategic Alignment

The municipality does not have an entity and did not enter into a partnership with any entity during the year under review.

2.4 Functional Performance

2.4.1 An Overview on SDBIP Performance

The 2011/12 Municipal Approved SDBIP had a total of 130 key performance indicators across all the municipal objectives. The municipality was able to report on all the key performance indicators as reflected in the SDBIP. The municipality was able to reach 78 targets (60%) of all the stated indicators and failed to achieve 52 (40%).

The capital plan of the municipality had 26 projects that the municipality was to be implemented during the 2011/12 financial. The municipality managed to complete 15 projects and 11 projects were not completed. The reasons for non completion of the 11 capital projects range from lack funding for some projects to poor performance.

2.4.2 Operational Projects / Initiatives – Annual Outputs

Operational Projects/ initiatives for 2011/12

OPERATIONAL PROJECTS / INITIATIVES - QUARTERLY OUTPUTS												
Strategic Objective	Vote Number	Responsible Directorate	Functional Area / Programme	Project Name	Total Operational Budget	Planned start date	Planned Completion Date	Ward Nr	Annual Target – End June 2012	Annual Actual Performance End June 2012	Remarks/Challenges	Intervention
KPA 1: Municipal Transformation and Organisational Development												
Good Governance and Institutional Excellence	0300	Corp	HR - Training	Skills Training - WSP (5% of the workforce undergo in-service training)	930,000	2011/07/01	2012/06/30		Implemented 100% of the programmes in the WSP.	83% implemented	Financial constraints	
			HRM	Municipal Institutional plan		2011/07/01	2012/06/30		Draft MIP adopted by council.	Not adopted, only a draft in place by end June 2012	To consolidate and submit to council for approval in the 2012/13 financial year	To be reviewed in the next financial year
KPA 2: Basic Service Delivery												
Community Well-being	0001	MM	Community Satisfaction	Community Satisfaction Survey	300,000	2011/07/01	2011/10/31	1-16	Ward survey report submitted to management & integrated into IDP analysis chapter	Completed and included in the IDP	Project completed	
	0101		HIV/ Aids	Development of Municipal HIV/AIDS	In-house	2011/07/01	2012/06/30		Draft Municipal HIV/ Aids	<ul style="list-style-type: none">Only HIV/AIDS Policy	HIV/AIDS policy reviewed due	HIV/AIDS strategy to be carried to the 2012/13 financial

OPERATIONAL PROJECTS / INITIATIVES - QUARTERLY OUTPUTS												
Strategic Objective	Vote Number	Responsible	Functional Area /	Project Name	Total Operation	Planned start date	Planned Completion	Ward No.	Annual Target End June	Annual Actual	Remarks/Challenges	Intervention
				Strategy					Strategy adopted by Council	<ul style="list-style-type: none"> HIV/AIDS Co-ordinator resigned before end of quarter 	to the resignation of the Co-ordinator.	year
				Workplace HIV & AIDS Policy	In-house	2011/07/01	2012/06/30		Draft Workplace HIV/ Aids Policy approved by Council	HIV/AIDS policy approved	Policy approved	
Provide, maintain and upgrade municipal assets and services		Technical	Electricity	Electricity Master Plan	900000 (Province)	2011/07/01	2012/06/30		Receive and submit draft Electricity Master Plan to Council for adoption	Not done	Financial constraints	Budgeted for in 2012/13 financial year
Environmental sustainability	0800	PD	Land Use and Housing	GIS Policy / Strategy	In-house	2011/07/01	2012/06/30		Draft GIS Policy / Strategy	GIS Policy finalised	Still to be approved by management	
Environmental sustainability		PD	Land Use and Housing	Land Use Management Scheme (LUMS) review	In-house	2011/07/01	2012/06/30		Public participated and reviewed LUMS approved by Council	Not reviewed	Implementation started late and there was no need for a review.	To be reviewed in 2012/13
KPA 3: Local Economic Development												

OPERATIONAL PROJECTS / INITIATIVES - QUARTERLY OUTPUTS												
Strategic Objective	Vote Number	Responsible	Functional Area /	Project Name	Total Operation	Planned start date	Planned Completion	Ward No.	Annual Target End June	Annual Actual	Remarks/Challenges	Intervention
Facilitate local economic growth and provide for mobility and access	0800	PD	LED	Investment Attraction Plan	In-house	2011/07/01	2012/06/30		Approved Investment Attraction Plan by end June 2012	Not developed	Unfunded mandate	To be developed in the 2012/13 financial year
KPA 4: Municipal Financial Viability												
Become Financial Viable	0200	B&T	Budget and Reporting	Integrated Financial Management System (Budget)	4,000,000	2011/07/01	2012/06/30		First Phase completed by end June 2012	Completed	All modules have been implemented	
Become Financially Viable	0200	B&T	Asset Management	Infrastructure Assets Unbundling – (electricity)	6000000 Unfunded	2011/07/01	2012/06/30		Report on Infrastructure Assets Unbundling	Partially done	Lack of funds. Electricity unbundling was partially funded by DBSA	

2.4.3 Projects Works Plan Expenditure

Projects works plan expenditure

PROJECTS WORKS PLAN - QUARTERLY OUTPUTS												
Responsible Department	GFS Classification	Functional Area	Strategic Objective	Project Name	Total Capital Budget	Planned Start Date	Planned Completion Date	Ward Nr	Annual Target End June 2012	Annual Actual Performance End June 2012	Remarks/Challenges	Intervention
KPA 2: Basic Service Delivery												
Roads and Stormwater Drainage												
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Namakgale Stormwater Drainage	3, 000, 000	20 July 2011	15 February 2012	3,12,13,14,7	Project Completed end of 4 th Quarter	Small capital projects were implemented on storm water.	Budget used was R500 ,000 due to financial constraints	
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Streets Rehabilitation	1, 500, 000	20 July 2011	15 December 2011	1&5	Project Completed end of Second Quarter	Project completed	Phase 1 was implemented by Foskop	
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Tshelang Kgape Street Upgrading Phase 4 (Namakgale)	4, 800, 000	15 May 2011	20 November 2011	3	Project Completed end of Second Quarter	Practical completion	Additional Storm water and speed humps	Service provider given 20 days extension for completion of additional work
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Thepe Trust Bridge (Mashishimale)	2, 250, 000	15 May 2011	20 September 2011	9	Project Practical Completion end of First Quarter	Completed		

PROJECTS WORKS PLAN - QUARTERLY OUTPUTS												
Responsible Department	GFS Classificati	Functional Area	Strategic Objective	Project Name	Total Capital	Planned Start	Planned Completio	Ward Nr	Annual Target End June 2012	Annual Actual	Remarks/ Challenges	Intervention
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Subsoil Drainage System (Majeje)	2, 500, 000	15 May 2011	20 September 2011	8	Project Practical Completion end of First Quarter	Completed		
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Street Paving Phase 1 (Matiko Xikaya)	1, 400, 000	30 May 2011	30 March 2012	4	Project Completed end of 4 th Quarter	Contractor busy with kerbing and paving streets	Contractor busy with kerbing and paving streets	
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Street Paving Phase 1 (Selwane)	1, 700, 000	30 May 2011	20 May 2012	2	Project Completed end of Fourth Quarter	The Designs completed, awaiting to go on Tender stage	Tender stage	
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Upgrading of Taxi Rank Facilities (Phalaborwa)	121, 597	30 May 2011	20 February 2012	1	Completed end of Third Quarter	Design stage	Designs completed	
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Overhead Walkway Bridge - Unregistered (Phalaborwa)	200, 000	30 May 2011	05 March 2012	1	Project completed end of Third Quarter	Design stage	Designs completed	
Technical Services		Roads and Stormwater	Integrated sustainable infrastructure and services	Phalaborwa Streets Rehabilitation (Foskor SLP Project)	4, 000, 000	20 July 2011	15 December 2011	1&5	Project completed end of Second Quarter (Phase 1)	Phase 1 Completed	Second Phase commenced by June 2012	
Water and Sanitation												
Budget and Treasury		Supply Chain Manageme	Integrated sustainable infrastructure	Honey Sucker Tanker	500, 000	01/07/2011	31/10/2011		Delivered	Not implemented	Unfunded	

PROJECTS WORKS PLAN - QUARTERLY OUTPUTS												
Responsible Department	GFS Classificati	Functional Area	Strategic Objective	Project Name	Total Capital	Planned Start	Planned Completio	Ward Nr	Annual Target End June 2012	Annual Actual	Remarks/ Challenges	Intervention
		nt	re and services									
Budget and Treasury		Supply Chain Manageme nt	Integrated sustainable infrastru ct re and services	Mobile Water Tanker	500, 000	01/07/20 11	31/10/20 11		Delivered	Not implemente d	Unfunded	
Building & Infrastructure Development												
Technical Services		Parks and Open Spaces	Integrated sustainable infrastru ct re and services	Upgrading Of Lulekani Stadium (Foskor SLP Project)	5, 000, 000	01/07/20 11	31/10/20 11		Completed by end June	Completed	Practical completio n stage	
Electricity												
Technical Services		Electrical	Integrated sustainable infrastru ct re and services	Maintenance & Refurbishmen t of overhead Lines (Phalaborwa)	1, 400, 000	1 July 2011	30 December 2011	1	Project completed end of Third Quarter	Completed in February 2012	Project Complete d	
Technical Services		Electrical	Integrated sustainable infrastru ct re and services	Maintenance of Selati Substation (Phalaborwa)	600, 000	1 July 2011	30 December 2011	1	Project completed end of Third Quarter	Poor performance by contractor, failed to start	The contractor has been issued with a intention to terminate	
Technical Services		Electrical	Integrated sustainable infrastru ct re and services	Street Light Maintenance Truck (Cherry Picker - Phalaborwa)	500, 000	1 July 2011	30 Septembe r 2011	BPM	Equipment delivered end of Second Quarter	Delivered in April 2012	Project complete d	

PROJECTS WORKS PLAN - QUARTERLY OUTPUTS												
Responsible Department	GFS Classificati	Functional Area	Strategic Objective	Project Name	Total Capital	Planned Start	Planned Completio	Ward Nr	Annual Target End June 2012	Annual Actual	Remarks/ Challenges	Intervention
Technical Services		Electrical	Integrated sustainable infrastructure and services	Electricity Reticulation 350 Units (Namakgale RDP Houses)	1, 000, 000	1 July 2011	30 December 2011	14	Project Completed end of Third Quarter	Awaiting switch-on	Applicatio n made with Eskom	
Technical Services		Electrical	Integrated sustainable infrastructure and services	Electricity Reticulation 382 Units (Kanana)	3, 056, 000	1 July 2011	30 December 2011	1	Project Completed end of Third Quarter	Not funded	Included in 2012/13 IDP, Eskom projects	
Technical Services		Electrical	Integrated sustainable infrastructure and services	Electricity Reticulation 127 Units (Gardenview)	1, 016, 000	1 July 2011	30 December 2011	11	Project Completed end of Third Quarter	Not funded	Included in 2012/13 IDP, Eskom projects	
Technical Services		Electrical	Integrated sustainable infrastructure and services	Electricity Reticulation 43 Units (Maune)	322, 500	1 July 2011	30 November 2011	15	Project completed end of Second Quarter	Completed	Energized in November 2011	
Technical Services		Electrical	Integrated sustainable infrastructure and services	Electricity Reticulation 54 Units (Ntswelemots e)	495, 146	1 July 2011	30 November 2011	11	Project completed end of Second Quarter	Completed	Energized in November 2011	
Technical Services		Electrical	Integrated sustainable infrastructure and services	Electricity Reticulation 240 Units (Sebera)	1, 618, 534	1 July 2011	30 November 2011	15	Project completed end of Second Quarter	Not Implemented	Not funded. Included in 2012/13 IDP	

PROJECTS WORKS PLAN - QUARTERLY OUTPUTS												
Responsible Department	GFS Classificati	Functional Area	Strategic Objective	Project Name	Total Capital	Planned Start	Planned Completio	Ward Nr	Annual Target End June 2012	Annual Actual	Remarks/ Challenges	Intervention
Technical Services		Electrical	Integrated sustainable infrastructure and services	High Mast Light & Energy Servings - Unregistered (Ba-Phalaborwa)	3, 000, 000			BPM	Project registration (MIG)	Not implemented	Project not funded Included in 2012/13 IDP	
Parks, Open Spaces and Cemeteries												
Technical Services		Cemeteries	Integrated sustainable infrastructure and services	Cemetery Establishment and construction	2, 000, 000	2011/07/01	30April2012		Completion and handover end of Fourth Quarter	Not Implemented	Lack of funding	
Technical Services		Cemeteries	Integrated sustainable infrastructure and services	Cemetery Fencing Namakgale	1, 000, 000	2011/07/01	28February /2012		Completion and handover end of Third Quarter	Not implemented	Lack of funding	
Waste Management												
Technical Services		Parks and Open Spaces	Integrated sustainable infrastructure and services	Rehabilitation of Namakgale, Phalaborwa & Lulekani landfill Sites (Foskor SLP Projects)	6, 000, 000	2011/07/01	30 April 2012		Completion and handover end of Fourth Quarter	Not implemented	Specificati ons not finished in time. To be implemented in 2012/13.	Foskor already advertised for the appointment of the service provider.

2.5 Organisational Development Performance

This section of the annual performance report gives an account on the organisational development performance with regard to municipal workforce. Attention is paid to the extent to which the Municipality managed the municipal workforce, how it capacitated the workforce, and finally how it managed municipal expenditure.

2.5.1 The Municipal Workforce

2.5.1.1 Municipal Employees by Race

The table below shows workforce distribution according to race groups in the 2011/12 financial year.

Workforce distribution according to race groups

Race Group	Number	Percentage of Workforce
Blacks	412	95%
Whites	18	04%
Indians/Asians	0	0%
Coloureds	0	0%
Total	430	99%

2.5.1.2 Employees Recruited

A total number of sixty one (61) employees were recruited in the year 2011/12 in reducing the vacancy rate.

2.5.1.3 Staff Turnover

The Municipality's staff turnover rate was at 08% for the financial year. The following formula was used to calculate the employee turnover rate for the year ended 30 June 2012:

$$\begin{aligned}\text{Employee turnover rate} &= (\text{Number of separations} / \text{Number of employees midyear}) \times 100 \\ &= (/) \times 100 \\ &= 08 \%\end{aligned}$$

2.5.2 Managing the Municipal Workforce

2.5.2.1 Occupational Injuries

We have had a total number of twenty four minor cases on occupational injuries for the financial year 2011/12. No compensation was received due to the nature of the injuries.

2.5.3 Capacitating the Municipal Workforce

2.5.3.1 Skills Audit

Skills audit was done for the financial year 2011/12 which revealed some gaps in the following:

- Municipal Finance Management Act, Supply Chain Management
- Road marking, First Aid, Waste Water Treatment, Confined space, Fire fighting
- Supervisory Management, Assets accounting, Protocol, Computer literacy, LGAC/ LGAAC, SAMTRAC, and measures were made to address the gap.

2.5.3.2 Skills Development

The Municipality, in accordance with the Skills Development Act (1998) and the Municipal Systems Act (2000) undertook to address skills gaps by providing training as outlined in the table below:

Beneficiaries to the skills gap programme

Target Group	Number Trained	Area of Development	Institution that provided training	Outcome/Remark
Councillors:	32	Water & Sanitation, Supply Chain Mngt, Project Mngt, Oversight training for all councillors, IDP Skills, ELMDP	SALGA Municipality Dept National Treasury	
Ward Committees:	145	Induction Programe	COGHSTA	
Officials:	191			
<ul style="list-style-type: none"> Labourers 	78	Road marking, First Aid, Waste Water Treatment, Confined space, Fire fighting	Municipality, Mopani, Service Providers	
<ul style="list-style-type: none"> Front Office personnel 	78	Supervisory Management, Assets accounting, Protocol, Computer	Municipality, COGHSTA, Dept of Environmental Affairs, Dept of	

Target Group	Number Trained	Area of Development	Institution that provided training	Outcome/Remark
		literacy, LGAC/ LGAAC, SAMTRAC,	International Affairs Service Providers	
<ul style="list-style-type: none"> Management 	35	MFMA, CPMD, LED, IDP, OD ETDP, Supply Chain Mngt,	Wits, Northwest University, COGHSTA, Service Providers	

2.5.3.3 Learners on Experiential Training

Learners on experiential learning grouped per host department

Number of Learners	Gender	Discipline	Department	Period
22	13 males and 9 females	Mechanical Engineering, Electrical Engineering, Chemical engineering, Information Technology, Library Sciences, Civil Engineering, Public Management, Financial Management, Human Resources	Technical Services, Community and Social Services, Corporate Services and Budget and Treasury	July 2011-June 2012

2.5.3.4 Learners on Internship Programme

Learners on internship per department

Number of Learners	Gender	Discipline	Department	Period
4	2 Males and 2 Females	Finance and Auditing	Budget and Treasury	January 2012- Dec 2012

2.5.3.5 Skills Development Budget and Expenditure

Expenditure on skills development

Financial Year	Budget for 2010/11	Expenditure	% Spent	Remarks
2009/10	R1 954 000,00	R1 495 000,00	77%	Other programs were not implemented due to lack of accredited service providers.
2010/11	R1 608 929,00	R625 630,00	39%	Many programs were not implemented due to the suspension of procurement
2011/12	R1 600 000,00	R1 334 043,00	83%	The remaining programs were not done due to lack of service providers

2.5.4 Managing Municipal Workforce Expenditure

2.5.4.1 Personnel Expenditure

The following table presents personnel expenditure by the Municipality over the past 4 years in order to benchmark the 2011/12 performance on the dimension:

Table 2.22: Personnel expenditure over the past three financial years

Year	Personnel Expenditure	Operating Expenditure	% of Personnel Expenditure as a Fraction of Operating Expenditure
2008/09	R 67 136 706	R 203 859 868	33%
2009/10	R 83 908 627	R 180 951 490	46%
2010/11	R900 318 847	R 223 542 000	40%
2011/12	R 101 853 985	R 317 067 338	32%

2. 5.4.2 Promotions for 2011/12

There were no promotions in the Municipality for 2011/12 financial year

2.5.4.3 Upgraded Positions

The positions of Chief Internal Auditor was upgraded from Post Level 3 to 2

2.6 Building and Zoning Plans

The table below provides information on the time taken to approve zoning and building plans applications during the financial year under review. It indicates the number of approvals that were outstanding at the beginning of the financial year, number of new applications received during the financial year, total value of applications received, and the number of applications outstanding at the end of the financial year:

Building and zoning applications processed

Applications Outstanding July 2011	1	Category	Number of New Applications Received in 2011/12	Total Value of Applications Received (R'000)	Applications Outstanding June 2011	30
0		Land Use Applications	9	R148 191.00	none	

2.7 Corrective Measures to Improve Performance

The vacancy rate in senior management positions during the 2011/12 financial year contributed tremendously towards the performance of the municipality. For the effective functioning of the institution all the top management positions must be filled. In order to avoid the recurrence of such acts, all positions to will be advertised three positions before the expiry of the contract and advice council to appoint within the prescribed timeframe.

The municipality further had challenges with regard to revenue collection and this impacted negatively on the implementation of some of the own funded projects. To improve the collection rate and also recover on the money owed to the municipality, we will continue doing payment awareness campaigns led by the political arm. The municipality will further prioritise the appointment of a debt collector to deal with all debts that are older than 180 days.

To maintain the good track record in terms of Municipal Infrastructure Grant spending, and all other conditional grants, the municipality will continue to do forward planning in terms of implementation of capital projects.

The Supply Chain Management Unit also need some special attention in order to deal with some of the issues raised by the Internal Audit unit through the audit report. Most of the items that are needed frequently will be sourced through the appointment of service providers in order to reduce costs and avoid some fraudulent activities. Furthermore, the rotation of staff and implementation of SCM procedures will be implemented with immediate effect in the next coming year.

The issues raised in the AG's report will be addressed as per the developed action plan which is attached as an addendum to this report. Unlike in the past years during the 2011/12 audit the municipality had an asset register and only few issues were raised on it, thus showing an improvement as compared with the previous years. The audit steering committee meetings to be scheduled throughout the financial year in order to check progress in the implementation of the action plan to address queries raised by the Auditor General.

CHAPTER 3: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

3.1 Introduction

3.2 Policies and Legal Compliance

In the 2011/12 financial year, the Municipality reviewed and developed the policies indicated in the table below:

Policies reviewed or developed during 2011/12.

No	Name of policy	Policy status (Review/New)	Date of Adoption by Council	Resolution No
1	Municipal Vehicle usage		31/10/2012	226/1
2	Cellphone& 3G card	Reviewed	27/3/2012	110/12
3	Standby Allowance	New	29/5/2012	145/12
4	Shift Allowance	New	29/5/2012	146/12
5	Budget Policy	Reviewed	29/5/2012	174/12
6	Tariff Policy	Reviewed	29/5/2012	174/12
7	Supply Chain Management	Reviewed	29/5/2012	174/12
8	Principle and Policy on Property Rates	Reviewed	29/5/2012	174/12
9	Payroll Policy	Reviewed	29/5/2012	174/12
10	Indigent consumer subsidy policy and principles	Reviewed	29/5/2012	174/12
11	Deposit Policy	Reviewed	29/5/2012	174/12

12	Credit control, debt collection and consumer care	Reviewed	29/5/2012	174/12
13	Cash management	Reviewed	29/5/2012	174/12
14	Debt write-off	Reviewed	29/5/2012	174/12
15	Asset Management	Reviewed	29/5/2012	174/12
16	Virement Policy	Reviewed	29/5/2012	174/12

3.3 Organisational Structure and Staffing

Staff profile across line functions by end of financial year

Line Function	Staff Members		Total	% Line Function Contribution to Municipal Staff Establishment
	Male	Female		
Office of the Municipal Manager:	13	8	21	
Corporate Services	20	33	53	
Budget and Treasury Office	19	17	36	
Technical Services:	85	31	116	
Community and Social Services	85	105	190	
Planning and Development	8	9	17	
Total	228	202	430	
% Gender Contribution to Total Municipal	53%	46%		

Line Function	Staff Members		Total	% Line Function Contribution to
Staff Establishment/784				

3.4 Staff Movements

3.4.1 New Appointments

Positions filled in the financial year

Post level	Number of Appointments per Gender		Total
	Male	Female	
	39	22	61
Total	39	22	61

3.4.2 Terminations

$$\begin{aligned}
 \text{Employee turnover rate} &= (\text{Number of separations} / \text{Number of employees midyear}) \times 100 \\
 &= (/) \times 100 \\
 &= 8\%
 \end{aligned}$$

3.5 Personnel Administration

3.5.1 Leave Administration and Management

The table below shows the types of leaves taken in the financial year as well as the average number of leave days per leave type per staff member:

Average number of leave days taken per leave type by staff members

Type of Leave	Number of Leave Days Taken
Vacation	3320
Sick	1024
Maternity	117
Study	176
Family Responsibility	64
Special	31
Union	90
Time off leave	15
Unpaid leave	3

3.6 Performance Management

The Performance Management System of the Municipality was implemented manually with all institutional and individual quarterly assessments conducted. Only two formal individual performance assessments for the Section 57 managers were, with assistant directors formally assessed at the end of the first and third quarters. There is a need to automate the PMS system as it gets cascaded to the lower levels.

3.7 Training and Skills Development

The Workplace Skills Plan for the 2011/12 was implemented successfully at a rate of 83%. The remaining programs could not be implemented as a result of lack of accredited Service Providers.

3.8 Occupational Health and Safety

There is a need to create and appoint the Employee Wellness Manager in order to oversee to the wellness of the employees so as to comply to the Occupational Health and Safety Act as the services of the EAP is undertaken by the Occupational Health and Safety Officer who is not qualified to do the job.

3.9 Labour Relations

In terms of the Corporate Diary for 2011/12, we were supposed to have held eleven (11) Local labour Forum meetings. We managed to have seven LLF meetings. The four meetings outstanding could not be held due to other operational requirements.

3.10 Employment Equity

The five year Employment Equity Plan which has exhausted its life span in June 2011 and the review is under process.

Disclosures concerning councillors, directors and senior officials for the period 1 July 2011 to 30 June 2012

Position and Name	Description											
	Salaries and Wages		Contributions			Allowances			Housing Benefits and Allowances	Loans and Advances	Other Benefits and Allowances (Specify)	Arrears Owed to Municipality
	Normal	Overtime	Pensions	Medical Aid	Other	Travel and Motor car	Accommodation	Subsistence			Leave days,	
Mayor	385,946.00				932.96	151,977.00					91,750.41	
Speaker Cllr	294,753.00				932.96	149,471.72					91,496.00	
Chief Whip Cllr	271,956.00				932.96	165,534.31					91,324.50	
Executive Councillors:	118,068.00				832.44	74,074.02					83,111.50	
1. Rapatsa KD												
2. Malatji KS	85,496.00				423.40	50,704.42					39,379.50	
3. De Beer SR	102,293.00				865.06	65,816.66					82,132.50	
4. Mhlarhi KP	118,068.00				865.06	70,522.99					83,111.50	
5. Mapanzela VP	340,356.00				932.96	189,680.25					21,324.50	
6. Magomane MS	271,956.00				932.96	133,310.13					92,469.57	
Municipal Manager	226,422.80					151,279.20		28,715.24				
Chief Financial Officer	100,464.99				362.16	66,976.64					163,508.07	
Directors:	296,987.10				965.76	286,310.81					380,444.50	
1. Director Corporate Services (Mr ...)												

Position and Name	Description											
	Salaries and Wages		Contributions			Allowances			Housing Benefits and Allowances	Loans and Advances	Other Benefits and Allowances (Specify)	Arrears Owed to Municipality
2. Director Planning & Development (Mr)	413,763.60				965.76	215,842.32		90,102.90			250,002.00	
3. Director Technical Services (Mr ...)	572,232.54				965.76	340,412.14					44,863.77	
4. Director Community services (Mr)	480,759.30				932.96	317,120.85					18,000.00	
Total	4,079,522.33				11,843.16	2,429,033.46		118,818.14			1,532,918.32	

CHAPTER 4: AUDITED FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

4.1 Introduction

The municipality has submitted annual financial statements for the year 2011 on the 31st August 2011. The financial statements were audited by Auditor – General of South Africa and completed on the 30th November 2012. The audit outcome for 2011 Annual Financial statements was a disclaimer audit opinion.

4.2 Financial Sustainability

The municipality financial sustainability for the year 2011/12 financial year was not favourable due to non-payment of municipal services. The debt book attest the going concern as the accruals on year end was a worrying factor.

4.2.1 An Overview of the Financial Situation

The municipality financial status was not positive on the basis that the municipality is unable to collect all revenue. Late payment of creditors affected by non payment of creditors and cash flow affection. The municipality is expense more funds on repairs and maintenance due to ageing infrastructure.

4.2.2 The Financial Health of the Municipality

Financial health of the Municipality

Liquidity and Solvency	Basis of Calculation	2011/12	2010/11	2009/10	2008/09
Current Ratio	Current Assets/Current Liabilities	0.49:1	1.71:1	0.65:1	0.72:1
Current Acid Test Ratio	Current Assets less(Inventories)/Current Liabilities	0.48:1	1.6:1	0.63:1	0.70:1
Borrowing					

Management					
Borrowings to Assets	Total Long Term Debts/Total Assets	0.14:1	0.002:1	0.01:1	0.02:1
Capital Charges to Operating Expenditure	Interest + Principal Payments/Operating Expenses	:1	0.017:1	0.003:1	0.005:1
Safety of Capital					
Debt to Equity	Loans, Accounts payable, overdrafts/Funds and Reserves	0.35:1	0.03:1	0.18:1	0.25:1
Gearing	Funds and Reserves/Long Term borrowings	209.8:1	382.7:1	61:1	41:1

4.2.3 Long Term Contracts

In the financial year under review, the Municipality signed contracts or service level agreements as indicated in the table below:

Major contracts and service level agreements signed in 2011/12

No.	Name of Contract/ Service Level Agreement	Source of Funding	Bid Amount/ Award	Date Contract Signed / Duration	Description of Services	Tender Number	Name of Company
1	Traffic Contraventions & Law Enforcement Service	Commission based	Commission based R35-00 per notice issued R16-00 per notice paid	05 April 2012 3 years	Conduct motor vehicle traffic offences by way of mobile digital cameras, traffic surveillance and related law enforcement	13/2011	Mvambo IT'S (Pty) Ltd
2	Cigicell- Pre-paid Electricity Network Service level agreement	Commission based	Pre-paid electricity 5% inclusive vat on face value R4-50 excl. vat, per municipal account paid	13 July 2012 3 years	Selling of pre-paid electricity and municipal levy collection	Appointed under Section 32 of the MFMA	Cigicell (Pty) Ltd
3	Nkhensi Carol Safety & Security Services	Own Funding	R7,822,227-96 incl. vat	7 December 2011 3 years	Provision of safety and security municipal assets and premises	9/2011	Nkhensi Carol Security Services cc
4	Tropical Eden Short term Insurance Services Level	Own Funding	R2200,000-00 per month	25 June 2012 3 years	Provision of short-term insurance municipal assets	18/2011	
5	Funding Agreement	Mopani District Municipality	Funding value R12,439,052-00	15 December 2011	Provision of providing finance in purchasing municipal fleet and repayment arrangements R350,000-00 per month	n/a	Mopani District Municipality
6	Ducharme – Compilation of Annual Financial Statements	Own funding	R1,132,704-00 6 months	2 July 2011	Compilation of Annual Financial Statements for the year ending 30 June 2011	4/2011	Ducharme Consulting (Pty) Ltd

No.	Name of Contract/ Service Level Agreement	Source of Funding	Bid Amount/ Award	Date Contract Signed / Duration	Description of Services	Tender Number	Name of Company
	30 June 2011						
7	Marula Benefication Study Contract	Own funding	R350,265-00	3 August 2011 4 months	Conduct feasibility study on Amarula Benefication	38/2010	Urban Econ cc
8	Installation of steel palisade fence Service level agreement	Own funding	R275,000-00	27 January 2012 3 weeks	Erect and install palisade fence/Impala Park	14/2011	Mangena MRP/Mahlgo Wa Pheladi Enterprise
9	La Mosekedile Trading Enterprise Service Level Agreement	Own funding	R750,000-00	27 January 2012 3 weeks	Erect and install palisade fence/Impala Park	14/2011	La Mosekedile Trading Enterprise cc
10	Lease Agreement Bollanoto Tourism Centre/Phalaborwa Community Radio	Lease Agreement tenant pay rent	Exchanged for free radio air time	10 December 2011 3 years	Lease of municipal immovable asset/Erf 1318-19 Namakgale	Lease property	Phalaborwa Community Radio
11	Transfrontier Parks Lease Agreement	Leased premises	Rent payment R6,890-00	1 April 2012 3 years	Leased municipal immovable property – Bollanoto Tourism Centre	Leased property	Transfrontier Parks Destination (Pty) Ltd

4.2.4 Credit Rating of the Municipality

Credit rating was not conducted in the year under review.

4.2.5 Outstanding Creditors

Information on outstanding creditors

Creditor	Outstanding Amount	Action Taken
Trade and Other payables	R289 819 159	Paid exclusive of Bulk water

4.2.6 Outstanding Debtors

Information on outstanding debtors

Debtor	Outstanding Amount		Action Taken
	30 th June 2011	30 th June 2012	
Total Debtors age	R42 726 608	R184 482 126	

Intervention Measures

a. Government Debts

The challenge was only with the Department of Education and the National Department of public works promised to settle the debt, but there have not been any developments on this.

b. Debt Collection

Earmarked to appoint a debt collector, however the processes of appointment were not finalised.

c. Top 30 Debtors

Earmarked to appoint a debt collector, however the processes of appointment were not finalised.

d. Disconnection of Services

The municipality had a challenge of court interdicts.

e. Legal Process

Letters of demands issued to defaulters.

Outstanding Debtors Ageing per Consumer Category

Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
R	R	R	R	R	R
Electricity	1 928 574	1 432 497	991 762	18 760 064	23 112 900
Rates	2 725 851	2 869 434	2 183 236	72 384 516	80 163 037
Refuse	581 025	543 858	511 287	3 036 769	4 672 939
Others	640 022	582 187	562 849	22 060 766	24 363 935

Outstanding Debtors per Revenue Source

Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	Total
	R	R	R	R	R	R
Rates	2,725,851.05	2,869,433.88	2,183,236.44	2,108,361.37	70,276,154.08	80,163,036.82
Electricity	1,928,573.50	1,432,496.94	991,764.16	947,162.24	17,812,902.85	23,112,899.69
Water	0	0	0	0	0	0
Sewerage /	0	0	0	0	0	0

Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	Total
	R	R	R	R	R	R
Sanitation						
Refuse Removal	640,021.76	582,186.98	562,848.93	545,828.48	22,033,048.79	24,363,934.94
Other	4,432,377.6	4,148,289.08	4,034,177.9	398,2534.75	40,244,875.32	56,842,254.65
Total By Revenue Source	R9 726 824	R9 032 407	R7 772 027	R7 583 887	R150 366 981	R184 482 126

4.3 Indigent Policy

The municipality supported **0000** indigents in 2011/12 financial year. The municipality budgeted R0 million from equitable share to support indigents as follows:

- 6kl free water
- 50kw basic electricity
- Free refuse removal
- Free sanitation services

The following table illustrates how the indigent households were supported in the past two financial years:

Support to indigent households

Table 4.7: Rand value support on services given to indigent households

Type of Service	Support in Rand Value		
	2009/10	2010/11	2011/12
Electricity	1 976 601	1 862 495	642 900
Water	1 505 504	668 220	7 714 800
Sewer	1 072 540	1 431 900	1 607 383
Refuse	628 283	1 069 152	1 285 800
Rates	419 790	417 990	1 607 383
Total Amount	5 602 717	5 449 757	R 12,858,266.44

4.4 Supply Chain Management

The municipality has implemented the reforms of MFMA by establishing the supply chain unit, though the unit was not fully staffed during the financial year. The position of the contract and procurement management was not filled and bid administrator.

4.5 Audit Outcomes

The audit outcomes of the past three financial years are as follows:

Table 4.5: Audit outcomes from 2009/10 to 2011/12

Financial Year	Audit Outcome	Interventions to Address Negative Outcomes
2009/10	Disclaimed Audit Opinion	AG Action implemented
2010/11	Disclaimed Audit Opinion	AG Action implemented
2011/12	Disclaimed Audit Opinion	Action plan drafted

4.5.1 Action plan to address Audit Findings for the audit performed in 2011/12

Action plan to address audit queries for 2011/12 attached.

4.6. Income

4.6.1 Revenue

The following is a breakdown of the Municipality's Operating Revenue by respective revenue category.

Operating revenue by respective revenue category

Revenue per Classification	2011/12	2010/11	2009/10	2008/09	% of Total Revenue 2010/11
Water	0	84 207 072	R 72 185 458	R49 186 661	34.9
Electricity	R64,500,038	63 806 527	R 40 458 677	R35 387 962	26.4
Rates	R34,049,284	72 122 729	R 47 187 505	R33 431 535	29.9
Refuse	R8,979,737	8 554 822	R 6 126 709	R8 567 145	3.5
Sewerage	0	11 839 940	R 10 671 516	R13 899 312	4.9
Rental of Facilities and Equipment	R199,884	184 870	R 146 552	R 45 099	0.07
Fines	R425,968	509 625	R 524 405	R534 540	0.21

Revenue per Classification	2011/12	2010/11	2009/10	2008/09	% of Total Revenue 2010/11
Licenses and Permits	R1,482,086	6 518 755	R 4 396 182	R10 976 191	2.7
Grants/Subsidies	R80,683,577	74 682 367	R 77 150 460	R45 579 141	30.9
Gain on Disposal of Assets	0	186 195	R 245 841	R	0.07
Other income	R43,382,168	3 174 529	R 420 234	R 5 749 479	1.31
Total Operating Revenue	R233,702,742	258 999 026	R 285 813 427	R 203 357 065	

4.7 Grants and Conditional Transfers

4.7.1 Grant funding received

Grant Funding Source	Amount			Objectives Achieved/Not Achieved
	2011/12	2010/11	2009/10	
FMG	R1 250 000	R1000 000	R500 000	Achieved
NPDG	R 0	R 0	R10 000 000	No transfers made
MIG	R17 129 000.00	R 14 242 000	R12 335 000	Achieved
FMG	R1 250 000	R1000 000	R500 000	Achieved
NPDG	R 0	R 0	R10 000 000	No transfer made
MIG	R17 129 000.00	R 14 242 000	R12 335 000	Achieved
MSIG	R790 000.00	R 750 000	R500 000	Achieved
Equitable Shares	R53 751 000.00	R 47 605 231	R0	
INEG	R4 000 000	R 6000 000	0	Partially achieved
MDM	0	R 1000 000		Not applicable
LOCAL GOVERNMENT – Free Basic		R 2 222 497		
DBSA	R1 129 600.00	R 624 527		Achieved
PROV EXCESS EMPLOYEES	R2 687 000.00	0	0	Achieved
EPWP	R763 000.00	0	0	Achieved
Total	R81,499,600.00	R73 444 255	R61 918 000	

4.7.2 Equitable Shares

Equitable shares received by the Municipality over the past three years:

Table 4.7.2: Equitable shares over the past financial years

Financial Year	Amount	Equitable share as percentage of Total Revenue
2009/10	R39 033 000	34%
2010/11	R 47 605 231	21%
2011/12	R 53 751 000	23%

4.7.3 Loans / Borrowings

Loans/Borrowings include short-term and long- term loans.

Loans or borrowings over the past three financial years

Financial Year	Total Amount	Repayment Period
2009/10	0	
2010/11	0	
2011/12	0	

4.7.4 Revenue by Source

Below table indicate the summary of Municipality's revenue by source for the reporting year.

Table 4.7.4: Revenue by source

Revenue per Classification	2011/12	2010/11	2009/10
Water	0	84 207 072	R 72 185 458

Electricity	R64,500,038	63 806 527	R 40 458 677
Rates	R34,049,284	72 122 729	R 47 187 505
Refuse	R8,979,737	8 554 822	R 6 126 709
Sewerage	0	11 839 940	R 10 671 516
Rental of Facilities and Equipment	R199,884	184 870	R 146 552
Fines	R425,968	509 625	R 524 405
Licenses and Permits	R1,482,086	6 518 755	R 4 396 182
Grants/Subsidies	R80,683,577	74 682 367	R 77 150 460
Gain on Disposal of Assets	0	186 195	R 245 841
Other income	R43,382,168	3 174 529	R 420 234
Total Operating Revenue	R233,702,742	258 999 026	R 285 813 427

4.7.5 Outstanding Consumer Debts

Outstanding consumer debts

Description	2011/12	2010/11	2009/10
Water	80,163,037	115 839 267	R 92 140 422

Electricity	23,112,900	23 028 604	R13 639 026
Property Rates	0	49 699 486	R 51 584 052
Sewerage/Sanitation	0	35 378 251	R 33 781 674
Refuse Removal	24,363,935	16 622 891	R 20 368 086
Other	56,842,255	59 190 225	R 50 802 296
Total	R184 482 126	299 759 097	R 262 315 556

4.8 Expenditure

4.8.1 Expenditure by type:

Table 4.8.1: Expenditure by type

Expense Type	2007/08	2008/09	2009/10	2010/11	2011/12	% Change in 2011/12
Employee related costs	R 58 773 486	R 60 656 462	R75 338 632	R72 785 837	R92 800 430	27.5%
Remuneration of Councilors	R 5 823 763	R 6 480 244	R8 569 995	R11 539 955	9,053,555	-21.5%
Debt impairment	R 5 585 933	R 6 206 598	-	-	-	-
Depreciation &	R 2 207 047	R 2 415 603	R23 202 203	R38 171 329	74,449,486	2.5%

Expense Type	2007/08	2008/09	2009/10	2010/11	2011/12	% Change in 2011/12
asset management						
Finance Charges	R 1 278 939	R 1 235 333	R 311 075	R811 105	434,248	-46.5 %
Bulk Charges	R 25 056	R 40 391	R87 189 307	R41 106	56,507,687	37.5%
Contracted Services	R-	R 1 851 013	R10 293 876	R5 976 489	17,648,182	195.3%
Transfers and Grants	R-	R-	R-	R	-	-
Other Expenditure	R31 453 605	R84 623 232	R59 955 029	R111 407 246	66,265,774	-40.5%
Total	R130 179 159	R203 859 868	R264 860 117	R281 798 277	317,159,362	12.5%

4.8.2 Allocation of Expenditure

The allocation of expenditure for repairs and maintenance as a total percentage of the actual operational expenditure is given below:

Allocation of expenditure for repairs and maintenance over the past three financial years

Item	2007/08	2008/09	2009/10	2010/11	2011/12
Total Operating Expenditure	R130 179 159	R203 859 868	R264 860 117	R243 154 956	R317,159,362
Repairs and maintenance	R 598 108	R 398 123	R 3 723 940	R5 049 538	R6 853 977
% of Total OPEX	0.46%	0.20%	1.41%	2.08%	2.16%

4.8.3 Capital Expenditure

In line with the requirements set out in Section 71 of the MFMA, detailed indication on capital budget expenditure is presented as follows:

An indication on capital budget expenditure for the 2011/12 financial year

Vote Description	Capital Expenditure Incurred			% of Total Expenditure
	2009/10	2010/11	2011/12	
Planning & Development	R 10 000 000	-	-	
Technical Services	R 9 091 000	R34 485 112	R115 103 573	27%
Community Services	R 5 000 000	-	-	
Total	R 24 091 000	R 34 485 112	R115 103 573	27%

The following table presents allocation of capital expenditure versus operational expenditure as a percentage of the total budget over the past three years:

Table 4.8.3: Capital expenditure versus operational expenditure as a percentage of the total budget over the past three years

Expenditure	2008/09		2009/10		2010/11		2011/12	
	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget
Operational	R203 859 856	108%	R 264 860 117	96%	R 278 679 091	88%	R317,159,362	73%
Capital	R 14 822 408	58%	R 24 091 000	9%	R 34 485 112	12%	R115 103 573	27%
Total	R218 682 264		R 288 951 117		R 298 592 203	100%	R430 262 935	100%

The contributions by various sources of capital funding for the past three years is represented below:

Contributions to capital funding over the past three years

Source of Capital Funds	2008/09	2009/10	2010/11	2011/12	% of Total Capital Expenditure
Grants and Subsidies	R18 338 000	R 25 312 000	R20 242 000	R20,773,702	18%

External Loans	-				
Own Revenue	R 7 060 000	R 16 000 000	R14 572 000	R14 205 309	12%
Other	-			R80 124 562	70%
Total	R 25 398 000	R 41 312 000	34 814 000	R115 103 573	100%

4.9 Asset Management

New assets acquired during the 2011/12 financial year

Asset Description	Book Value	Expected Useful Life	Reasons(s) for Acquiring Asset
Land and Buildings	R70 940 200		
Infrastructure Assets	R29,958,064		
Other assets	R14 205 309		
Total	R115 103 573		

Table 4.9: Assets disposed during the 2011/12 financial year

Asset Description	Remaining Value	Actual Amount Collected	Reason for Disposal
NONE			

4.10 Disclosures

MFMA Circular Number 11 of 2005 requires that a municipality includes salary disclosures in its annual report in terms of Section 124 of the MFMA. The table below provides disclosures concerning the salaries of councillors for the period under review:

Disclosures of councillors' salaries

NAME OF COUNCILLOR	AMOUNT AS OF END JUNE 2012
Chauke MS	197,562.07
De Beer SR	251,107.22
Harri H	206,923.92
Fleming GJ	196,586.94
Kgoete MP	195,585.33
Maake MD	536,653.68
Mabilo PG	197,636.76
Magomane MS	498,668.66
Mahomane KE	195,552.14
Makasela R	202,250.72
Makwala MO	205,759.26
Malatji KS	176,003.32
Malatji MM	200,213.54
Malatji TG	196,007.14
Malesa MG	195,552.14
Malesa MM	194,188.22
Mapanzela VP	552,293.71
Mashele JG	198,343.25

NAME OF COUNCILLOR	AMOUNT AS OF END JUNE 2012
Mashigwana NA	203,745.98
Mathebula MV	195,552.14
Mhlarhi KP	272,567.55
Mkansi ST	196,586.94
Mohlala SL	529,747.77
Mokgalaka MS	198,084.80
Monareng MG	196,262.14
Mpenyane IF	207,816.51
Mthombeni PS	195,552.14
Nkuna T	196,249.86
NkunaSR	214,213.93
Ntimane-Ndlovu NE	198,879.92
Otto KA	196,598.02
Peta KA	198,402.44
Popela MR	202,109.46
Rapatsa DM	276,085.96
Sono NA	630,606.37
Mashale BR	147,433.42

Information pertaining to disclosures on business interests held by individuals is presented in the table below:

Disclosures on business interests by councillors and officials

NAME	DESIGNATION	NATURE OF INTEREST	DATE OF DISCLOSURE

4.11 Auditor-General's Audit Report

The municipality has received disclaimer audit opinion from Auditor-General South Africa

See the attached addendum

4.12 Report of the Audit Committee

See the attached addendum

4.13 Inter-governmental Grants

Quarterly information on Inter-governmental grants received by the Municipality in the 2011/12 financial year through the Division of Revenue Act (DoRA) or through any means as provided for in Chapter 12 of the MFMA is provided in the table below:

Inter-governmental transfers

Grant Details	Amount Received and Spent Each Quarter									
Grant Name	1 Jul 2011 to 30 Sep 2011		1 Oct 2011 to 31 Dec 2011		1 Jan 2012 to 31 Mar 2012		1 April 2012 to 30 Jun 2012		Total	
FMG	1,250,000	221,889	0	155,841	0	200,499	0	671,771	1,250,000	1,250,000
MSIG	0	0	790,000	0	0	790,000	0	0	790,000	790,000
MIG	6,686,000	4,074,659	8,456,000	7,085,620	1,987,000	5,059,149	0	4,015,620	17,129,000	20,235,048
NDPG	0	0	0	0	0		0	0	0	0
INEG	1,334,000	0	0	0	2,666,000	917,217	0	1,454,165	4,000,000	2,371,382
Equitable shares	22,396,000		17,917,000		13,438,000		0	53,751,000	53,751,000	53,751,000
FBS										
DBSA	200,000	23,000	285,000	35,998	644,600	1,273,618	0	0	1,129,600	
Excess employees	0	0	0	0	2,687,000	0	0	2,133,240	0	2,133,240
EPWP	0	0	177,000	0	586,000	0	0	196,900	763,000	196,900

4.15 General Overview by the Accounting Officer)

The Ba-Phalaborwa municipality has gone through great changes during the 2011/12 financial year, and significant challenges were there and also recorded some greatest achievements. Achievements will be briefly covered with full details contained in the performance report. Similarly, challenges not yet resolved will be tabled with the necessary corrective measures that we believe will remedy the situation.

Capital Infrastructure

The municipality was able to spend on all its allocation on Municipal Infrastructure Grant. Furthermore, implementation of own funded capital projects increased when comparing the annual expenditure with previous years, an upward trend is evident.

Operation Clean Audit

The municipality received a disclaimer audit opinion during the year under review, while it is also important to reflect that there was improvement as we were able to compile FAR and all municipal infrastructure was unbundled in the whole municipal area. To mitigate on the issues raised by Auditor General, the municipality have already developed an action plan to address all audit queries raised.

Institutional Arrangements

The position of the municipal manager was only filled towards the end of the financial year, while the position of the Chief Financial Officer and Director: Corporate Services remained vacant. The legal section was fully staffed and performance in terms of advising the municipality improved. In order to mitigate on labour disputes, the legal section was able to workshop the municipal workshop on the code of conduct.

Communications and marketing is still a challenge as it did not contribute immensely towards promoting the image of the institution in terms of advertising, media liaison, printing of news-letters and publications, internal and external communications. However, under the year under review a comprehensive communication strategy was developed which will be used to improve on the state of affairs in the communication unit.

Good Governance and Public Participation

Council committees were fully functional throughout the financial year and as such it easy for portfolio committees, EXCO and Council to do oversight on the performance of the municipality. Council meetings, portfolio committees and EXCO meetings were all held as per the approved schedule by council. Council also managed to establish MPAC which further assisted by doing oversight work on the work performed by section 80 committees.

CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING AND HIGHLIGHTS

5.1 Introduction

This Chapter focuses on the performance highlights and constraints experienced in each line function and sections within the various departments. The main purpose or responsibilities of each section are indicated, with major achievements and constraints for the year under review.

5.2 Office of the Municipal Manager

The Office of the Municipal Manager comprised of the following main sections:

5.2.1 Internal Audit Function

Main Purpose: The main purpose of the Internal Audit Unit was to help the Municipality achieve its set objectives by providing an independent objective assurance and consulting services to improve risk management, controls and governance processes.

Main Priorities: The main priorities included the review of the Internal Audit Governance Documents, monitoring of the auditor general action plan, and evaluation of audit committee performance and implementation of Internal Audit Annual Plan.

Major Achievements: The Audit Committee has in the previous financial year approved the Annual Audit Plan for implementation by the Internal Audit unit. The Audit Plan was 80% achieved by the end of the financial year. The AG action plan was adequately monitored although not 100% implemented. All governance documents were reviewed and implemented. The Municipality attended all audit committee meetings as planned. The Municipality signed an agreement with Maruleng Municipality in order to assist the unit in quality assurance. The Municipality reviewed the migration processes and expanded in auditing the IT services. Quarterly follow-up reports were issued on AG action plan and Internal Audit reports.

Constraints Experienced:

Staffing and limited training of the internal auditors remains a challenge and has a direct impact on the unit's effectiveness.

5.2.2 Risk Management

Main Purpose:

The purpose of risk management is to identify potential factors before they occur so that risk-handling activities may be planned and invoked as needed across the life of the product or project to mitigate adverse impacts on the achieving of municipal council objectives

Main Priorities:

To mitigate risk to an acceptable risk appetite level.

Major Achievements:

The Municipality appointed the Manager: Risk Management in the fourth quarter. The risk committee has been appointed to oversee the risk management activities and an external person was appointed to chair the committee and this brought about the effectiveness of the committee. The Committee operates with the Risk committee Charter which was endorsed by Council. The Municipality managed to conduct risk awareness campaigns to all levels in the Municipality. The Municipality managed to review its risk register with the help of Provincial Treasury.

Constraints Experience:

The appointment of the Manager: Risk Management posed a challenge in that major activities were not completed by the end of the financial year e.g. review of the anti-corruption strategy.

5.2.3 Disaster Management

Main Purpose:

Disaster management is a multi-disciplinary process of planning and implementation of measures aimed at;

- Preventing or reducing the risk of disasters;
- Mitigating the severity or consequences of disasters;
- Emergency preparedness;
- A rapid and effective response to disasters; and

- Post disaster recovery and rehabilitation.

Main Priorities:

Disaster Management focuses on programmes and measures designed to prevent, mitigate, prepare for, respond and recover from the effects of all disasters.

Major Achievements:

2011				
Tents	Blankets	Mattresses	Not assisted	Total Incidents
6	1	1	21	27
2012				
Tents	Blankets	Mattresses	Not assisted	Total Incidents
19	39	23	2	21

Total Incident for 2011-2012	= 48
Total Tents	= 25
Total Blankets	= 40
Total mattresses	= 24
Total not assisted	= 23 (No resources)

Events Planning

1. Marula Festival
2. Mayoral Imbizo's
3. Word Aids day- ministerial visit
4. Sixteen days of activist against abuse
5. Handing over Marakapula lodge to the community
6. Awareness campaign Housing
7. Desktop drill community preparedness
8. Development of new Corporate Disaster Management Plan
9. Development of new Corporate Disaster Management Frame work
10. Provincial legislators meeting Hans Merensky
11. Council meeting Selwane
12. Meetings with Stakeholders - 32
13. Greenest town competition
14. International woman's day celebrations

Constraints Experienced:

The lack of a centralised Disaster Management Centre compromises services to Ba-Phalaborwa municipality and major industry in regards to their business continuity plans in case of a disaster on their premises or in the community. The community is also adversely affected as Disaster Management is not centrally situated giving the community as a whole equal access to services rendered by Disaster Management.

Ba-Phalaborwa Disaster Management has only five tents of its own with twenty tents borrowed from Mopani District Disaster Management of which eighteen (18) tents of the total twenty five (25) still outstanding that are being used by the community as emergency housing. Tents are not suitable for long term inhabitation because of health concerns. Disaster Management has only seven (7) tents available at this time.

5.3 Directorate: Corporate Services

5.3.1 Human Resources Management

Main Purpose:

To manage and render indispensable, transparent and professional human resources support services by:

- ensuring effective provisioning of human capital;
- effective human resources administration;
- ensuring effective training and development of human resources;
- maintaining and promoting sound labour relations; and
- ensuring an effective, healthy and safe working environment.

Major Achievements:

Harmonising employer employee relations and there- by creating less labour problems and disputes from the working masses.

Recruitment and Selection

The section pride itself over the reduction of the vacancy rate and attending to its employee wellness

Constraints Experienced

- Non or low level of implementation of employment equity plan
- Skills development budget always cuts when austerity measures are taken in the institution hence we suffer re-imburement of funds from LGSETA
- Municipal buildings not user friendly or fully compliant to the OHS Act in terms of the OHS reports

5.3.2 Administration and Information Management

Main Priorities

The section is responsible for safe keeping and archiving municipal records; providing cleaning services, council support services, and information technology and communication services.

Achievements

All council meetings were held as per corporate diary. Our cleaning services extended to cover completed projects like memorial precinct and flea market. Incoming mail was handled within the required time frames

Challenges

The current website platform is a challenging to support and there is no dedicated resources to maintain the website. The electronic records management system (Mun Admin) has not been functioning since March 2012.

Implementation of a proper IT request management solution and completion of the archive centre at LULEKANI

5.3.3 Legal Services

Main purpose:

The main purpose of the Legal Services Division is to undertake civil litigations, labour litigations, and criminal litigations, development of contracts and service level agreements as well as provision of advisory opinions affecting the Municipality.

Main Priorities

The main priorities include legislative compliance in litigations, contracts management and, agreements and provision of on the spot legal opinions on matters that affect council.

Major Achievements

Obtaining court judgment in favour of the municipality against Rate payers Association and subsequently the community agreeing to pay arrears and municipal services.

Constraints Experienced

Obtaining legal research material on time.

5.4 Directorate: Budget and Treasury Office

The Finance Division's responsibility is to design and implement financial controls that ensure good financial governance and financial viability of the Ba-Phalaborwa Municipality as well as ensuring that funds are optimally used to drive the attainment of the strategic requirements and objectives.

5.4.1 Financial Planning and Reporting

The Financial Planning and Reporting section is responsible for:

- Ensuring that Financial Planning is done in terms of Legislative requirements, e.g. DoRA, MFMA, MTREF
- Avoiding unauthorised and fruitless expenditures by ensuring that funds are spent as voted for.
- Preventing over spending by monitoring the budget

- Monitoring and reporting actual collections and expenditure in terms of the legislative requirements

Major Achievements

- Preparation of annual budget 2012/13 and implementation of the budget
- Completion and finalisation of adjustment budget 2011/12

Constrains Experience

- Lack of staff

5.4.2 Revenue Management

The Revenue Management section is responsible for:

- Ensuring that consumer are accurately billed and statements are sent timorously
- Ensuring that credit control measures of the Municipality are implemented
- Ensuring that revenue collected is banked and accounted for in the books of the Municipality

5.4.3 Financial Control and Expenditure

The Financial Control and Expenditure Management section is for:

- Ensuring that funds are utilised as budgeted for
- Ensuring rigorously cash flow management
- Payment of Salaries and statutory deductions

- Payment of Creditors
- Preparation of Annual Financial Statements

5.4.4 Supply Chain and Fleet Management

The Supply Chain and Fleet Management section include:

- To source goods and services as per the Supply Chain Management Policy.
- Ensuring that Municipality's SCM is fair, equitable, transparent, competitive and cost effective

Major Achievements

- Implementation of procurement needs

Major constraints

- Lack of budget to acquire/ replace fleets

5.5 Directorate: Technical Services

Main Purpose:

To provide a sustainable and reliable infrastructure services to the community.

Main Priorities:

Includes provision of basic services like Water, Sewer, Electricity and Building of Community infrastructure maintenance and upgrading of municipal assets
Planning and implementation of projects identified by the communities in the IDP

Major Achievements:

Successfully completed projects within the budget. We have not requested any additional funding from all the projects we implemented and all service providers and labours were all paid at the end.

Constraints Experienced:

The department has a lot of vacancies that need to be filled. The response time of the department especially on Water services is too slow due to resources Shortage.

5.6 Directorate: Community and Social Services

The Department of Community and Social comprises of 4 main sections, viz:-

- Environmental Health
- Parks and Cemeteries
- Traffic and Licensing, and
- Library Services

The Department also consists of 3 Portfolio Committees namely:

- Agricultural and Environmental Management
- Social Services
- Sports, Recreation, Arts and Culture

5.6.1 Environmental Health

Main Purpose: The main purpose is to provide refuse removal services, inspection of food premises, cleansing services, and waste management, to mention but a few.

Main Priorities: All the services mentioned above are the main priorities of the section.

Major Achievements: Participated in the Greenest Municipality Competition and obtained position 1 in the District and awaiting results for Provincial Competition.

- Constraints Experienced:**
- Shortage of staff
 - Non acquisition of new landfill site
 - Non-provision of Waste Removal Services at other areas due to non- purchase of Refuse Compactor truck.
 - Rehabilitation of closed dumping sites.
 - Lack of pounds

5.6.2 Parks and Cemeteries

Main purpose: Provision, development and maintenance of parks and open spaces, bush clearance, lending of plants for decorations, decorations during events, administration, provision, and maintenance of 4 cemeteries.

Main Priorities: Maintenance of parks and provision of graves on demand.

Major Achievements: - Development of Cemetery Demand Plan.

- Constraints Experienced:**
- Staff shortage
 - Non grading of informal soccer fields due to non-availability of grader
 - Non completion of Gravelotte Park due to withdrawal of NDPG funding.

5.6.3 Traffic and Licensing

Main purpose: To promote road safety through law enforcement and to ensure service delivery on the required level.

Main Priorities: Law-enforcement, learners' and Drivers' Licence Testing, as well as roadworthy testing.

- Major Achievements:**
- Appointment of Traffic Officers
 - Introduction of Electronic Law Enforcement Unit

- Constraints Experienced:**
- Non appointment of Licensing Inspectors
 - Non payment of overtime due to Ministerial Determination threshold
 - Payment of 80% licensing fees to the Province

5.6.4 Library Services

Main purpose: To render efficient library services to all communities around Ba-Phalaborwa Municipal Area.

Main Priorities: To improve access to community library services to within walking distance of 5 kms throughout the municipality.

Major Achievements: Acquisition of R500 000, 00 and books donation from DBSA for Selwane Library

Constraints Experienced:

- Lack of Libraries in some communities
- Unreliable internal ICT services

5.6.5 Sports, Recreation, Arts and Culture

Main purpose: The main purpose is to run mayoral programmes. This Portfolio consists of three Co-ordinators, viz: HIV/AIDS Co-ordinator, Co-ordinator: Sports, Arts & Culture, and Co-ordinator: Youth, Gender, Disability, Children and Elderly

Major Achievements:

- Launching of Local Aids Council
- Launching of Local Aids Technical Committee
- Formation of Sport Council
- Co-ordinating mayoral events

Constraints Experienced: Non-performance of other activities due to lack of funds (budget)

5.7 Directorate: Planning and Development

The Planning and Development department was divided into Local Economic Development & Tourism; Strategic Planning and Planning, Land Use & Housing.

Main Purpose: The main purpose of the directorate is to manage the local economic development, spatial planning and land use and strategic planning, which includes integrated development planning and performance management.

Main Priorities: Implementation of the LED strategy, Integrated Development Planning, Spatial Planning, Human settlements and performance management.

Major Achievements:

- The directorate was able to develop the Township Regeneration Strategy for the purpose of rejuvenation of township. The Strategy has been approved by Council.
- The successful implementation of the SLP projects that included the Malumanama Brick making cooperatives.
- The IDP of the municipality received a high level rating during the annual MEC provincial IDP assessments

Constraints:

Operationalisation of facilities that are built, to enable local economic development in the municipal area. illegal land uses and demarcation of sites without following proper procedures. The acquisition of land for development purposes was also a challenge. The implementation of performance management in the lower levels was a challenge.

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